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# % of Quebecers Vote No Political Independence

Dusko Doder

EAL, May 21 (WP) — ec separatist government Rene Levesque suffered defeat yesterday when sively rejected its bid for independence from Cana-

ory for the supporters of Canadian unity in this predominantly French-speaking province appeared to remove the threat of Quebec secession and open the way for constitutional changes to meet Quebec aspirations.

Mr. Levesque accepted the defeat before a tumultuous crowd of supporters, hundreds of them weeping, saying that the people of Quebec had clearly given the federal Canadian government "one more opportunity" to make constitutional adjustments.

Apparently seeking to defuse tension and bitterness in the separatist camp, Mr. Levesque held out the hope of another attempt to seek independence. "I have faith that some day we will have another meeting with history and that we will be there together," he said. "But I can't say when."

### Uncertain Future

With 95 percent of the ballots counted, the federalist forces led by Claude Ryan, leader of the Quebec Liberal Party, had 59.4 percent of the vote. The separatists were holding 40.6 percent. Most important, the federalists appeared to have won slightly more than half of the French votes. The French Canadians account for 80 percent of Quebec's population of 6.3 million.

Mr. Ryan hailed the outcome as a demonstration that Quebecers wanted "to seek their future along the path of Canadian federalism." But he made it clear that he was deeply committed to radical constitutional changes.

"Our future will not be easy to build," Mr. Ryan said, obviously addressing English Canada. "But the action of today calls for changes and these will have to be made in the federal system so that it becomes acceptable and more solidly rooted in the hearts and minds of Quebecers and all Canadians."

The referendum capped five weeks of campaigning that presented an agonizing choice for most Quebecers.

### Symbolic Decision

The outcome represented a symbolic rather than final decision. Quebec's 4.3 million eligible voters were asked whether they would give Mr. Levesque the mandate to seek political sovereignty while negotiating an economic association with Canada. Any actual changes would have had to be approved in another referendum.

Mr. Trudeau, Mr. Ryan and other federalist supporters repeatedly warned that a victory by Mr. Levesque would be an irrevocable step toward some form of political separation from Canada.

It is uncertain how the other nine Canadian provinces, each with its own personality and economic ob-

(Continued on Page 2, Col. 3)




Associated Press

Ryan, leader of the Quebec Liberal Party, waves the n flag to supporters after voters soundly rejected the to start negotiations on sovereignty for the province.



United Press International

South Koreans with sticks ride a captured armored car and military truck in Kwangju yesterday.

# Civil Rebellion Grows, 11 Die In South Korea

By William Chapman

SEOUL, May 21 (WP) — A local defiance of South Korea's new military rule grew into a provincial rebellion today as citizens in Kwangju battled police and troops, and demonstrations spread to three other towns.

At least 11 deaths were reported in Kwangju last night and today, and accounts of more fatalities continued to reach Seoul. Citizens seized guns and ammunition from army storerooms and crashed into police blockades with commandeered buses and taxicabs.

More than 100,000 citizens, including students from two universities, reportedly poured into the streets of Kwangju to battle riot police and martial law troops. Demonstrations spread to the neighboring South Cholla province towns of Raju, Chang Sung and Mokpo as busloads of demonstrators reportedly fanned out from Kwangju to spread the protest.

In Seoul, the martial law command blamed the insurrection in part on North Korean spies who, it asserted, started fires, destroyed buildings and incited local antagonisms.

The fighting in Kwangju began four days ago as a student protest against the military takeover Saturday night, which was followed by arrests of key political figures and scores of other dissidents.

### Acting Premier

With the rest of the country quiet, and a group of generals holding power, a new acting premier was announced: Park Choong Hoon 61, a retired air force general, former minister for economic planning, and current head of a trade association.

A new Cabinet to replace the one that resigned yesterday also was announced. Eight key ministers survived from the former Cabinet and 11 new ministers were appointed, of which three had held other posts in the old Cabinet. The new Cabinet represents the choices of military leaders who engineered the bloodless coup Saturday with a martial law authorization.

The appointment of an acting premier was mysterious, as are all public events in a country now ruled from behind the scenes by generals. It was not formally announced by President Choi Kyu Hah, who has not been seen in public since Friday. Instead, Mr. Park's name was telephoned to newspaper offices by a presidential spokesman. South Korean reporters assigned to cover the presidential office have not been permitted to go near it.

Mr. Park carries the title of acting premier because the appointment of a permanent one would require approval of the National Assembly, which has been barred from holding meetings by the martial law command.

Suh Ki Won, a presidential spokesman, said in a statement that the "basic direction" of the Cabinet would be to ease public worries, particularly about economic problems.

### Trade Leader

Mr. Park was an air force officer from 1953 to 1961 and later served for two years under the late President Park Chung Hee as deputy premier for economic planning. Since 1973, he has been president of the Korean Traders Association, which represents most of the country's large trading companies. He has never been prominent in South Korean politics but is well known in business circles.

Meanwhile, the military leadership disclosed that it had arrested a prominent opposition leader, Kim Dae Jung, on grounds that he was

(Continued on Page 2, Col. 7)



UPI

Park Choong Hoon

# Adds to Delegates

# h Wins Michigan Vote, Reagan Takes Oregon

By William Endicott

GELES, May 21 (LAT) Bush won a lopsided up- over Ronald Reagan in presidential primary but it probably came too elt the former California

Kennedy calls for a "new rship" of business, labor vernment to revive U.S. y. Page 3.

drive toward the Republ- dential nomination. eless, Mr. Bush, strug- keep his underdog cam- e, described the victory as g shot in the arm," and s "very, very pleased." gon, where not as many were at stake, Mr. Reagan defeated Mr. Bush in the her primary. President o won a convincing victo- egon over Sen. Edward D-Mass.

his Michigan runaway, still trails Mr. Reagan the count of delegates to blican National Conven- y.

ree networks say I'm over delegates]," Mr. Reagan rday in California, where esting after an eight-day ough Michigan, Oregon Jersey. "I'm inclined to go that I hope people won't

dwagon Psychology"

sh, the former United Na- assador and CIA director, that his Michigan victory, ith strong showings in the primaries, could counter runner's "bandwagon psy- His campaign manager, ker, described the Michi- s as a "mandate to keep d said the victory will "en- raise the money for Cali- which holds its primary

99 percent of the vote n Michigan, Mr. Bush had otes (57 percent) and 53 Mr. Reagan had 188,968 percent) and 29 delegates. nout was light.

gon, with 99 percent of the nted, Mr. Reagan had otes (54 percent) and 18 ; Mr. Bush received otes (35 percent) and 11 Among the Democrats, er had 199,607 votes (58 and gained 26 delegates. nedy had 110,178 votes (32 and picked up 13 dele-

John Anderson of Illinois, dropped out of the Repub- naries to mount an inde- presidential campaign, was Republican ballot in both rning 49,127 votes (8 per- Michigan and 30,791 (10 in Oregon.

eagan now has 992 dele- 1 Mr. Bush 259, with 201 tted; 998 are needed to the Republican nomina- Carter has 1,579 of the legates necessary for the Democratic nomination, while Sen. Kennedy has 834; 116 are uncommitted.

Michigan's Democratic primary was virtually meaningless, because convention delegates were chosen last month in a series of caucuses in which Sen. Kennedy won 71 delegates to 70 for Mr. Carter.

# *France, West Germany Confirm Iran Sanctions; Britain Assailed*

By John Vinocur

BONN, May 21 (NYT) — The West German and French cabinets approved trade sanctions against Iran today, while Britain came under sharp attack, including a censure attempt at the European Parliament in Strasbourg, for deserting the European Economic Community's decision to backdate the restrictions.

Both the West Germans, who were the Iranians' biggest Western trade partners, and the French said that their embargoes would be retroactive to Nov. 4, 1979, the day the U.S. hostages were seized in Tehran, and would exclude only food and medical supplies. No new contracts are to be signed. Other EEC partners also announced plans for sanctions against Iran.

The decisions by the West German and French cabinets were in line with the agreement on retroactive sanctions reached at a EEC foreign ministers meeting Sunday in Naples and rejected Monday by the British House of Commons, which was apparently concerned about the measures' effects on British trade.

Coming from the country that the United States assumed was its most faithful European ally, the British vote irritated Americans. But it also annoyed Europeans. Many considered it a new example of British disloyalty to the Common Market.

The West German Cabinet decision specifies that all transactions with Iran falling outside the sanctions must be presented to trade authorities for approval and that no further transhipment of goods to Iran, with the exception of food and medicine, will be allowed through West Germany.

West Germany will also require special approval henceforth for the

(Continued on Page 2, Col. 5)

# France Defends Summit, Rejects Muskie Criticism

By Ronald Koven

PARIS, May 21 (WP) — In an angry retort to U.S. criticism of the French-Soviet summit meeting in Warsaw last Monday, the French foreign minister, Jean Francois-Poncet, asserted today in the National Assembly that France did not need anyone's authorization to talk to whomever it wanted to whenever it wanted to.

Mr. Francois-Poncet was answering complaints by the U.S. secretary of state, Edmund Muskie, who said that the French minister had not bothered to tell him when they met last Friday about the planned meeting between President Valery Giscard d'Estaing of France and President Leonid Brezhnev of the Soviet Union.

Mr. Giscard d'Estaing's spokesman replied even more sharply that "the president of the French Republic does not need the permission of the president of the United States to go out of doors."

Mr. Francois-Poncet said that France's allies had not been informed earlier of the meeting because of "unfortunate precedents" in which leaks from Washington had "altered the character" of other meetings — notably a foreign ministers' meeting in Bonn to coordinate Western strategy on Afghanistan that France wound up boycotting.

The French minister confirmed that it was France's explicit intention to put an end to the diplomatic quarantine of the Soviet Union since its intervention in Afghanistan.

"France considers that seeking to isolate the Soviet Union diplomatically would constitute a serious political mistake" that would create the risk of "driving international relations into a cycle of misunderstandings and of throwing ourselves into the potentially fatal and blind grinding away of machinery," he said.

Speaking for the Gaullist party, Mr. Giscard d'Estaing's increasingly restive partner in government, Maurice Couve de Murville delivered an understated but scathingly systematic criticism of the Warsaw summit meeting.

Mr. Couve de Murville, de

(Continued on Page 2, Col. 4)

# *U.S. Appears To Rule Out Korea Move*

By William Chapman

SEOUL, May 21 (WP) — The United States does not plan to apply any significant pressures on South Korea's military rulers, and is not considering any threat to withdraw U.S. troops as a retaliatory move, according to information available here.

U.S. officials in Seoul and Washington are said to feel that security comes first and that any attempt to intervene in South Korea might further weaken an already divided nation.

Although there are no indications that North Korea's Communist forces plan to take advantage of the South's troubles, the United States is said to view the defense of its strife-ridden ally as the first priority.

The military takeover that began Saturday night was another surprise for U.S. officials in South Korea and a devastating setback to the U.S. Embassy's effort to support civilian moves toward democratization.

Now the real power is held by a group of generals who in certain respects are hostile to U.S. interference and determined to run South Korea in their own way. Their takeover blocked the U.S.-supported movement toward constitutional reform and new elections.

### Question of Sanctions

A major question has been whether the United States might strike back by withdrawing some of the more than 30,000 U.S. troops stationed in South Korea, or by applying economic sanctions.

The best available indication is that no military, economic or diplomatic pressure is being planned. A State Department statement that the takeover is "deeply disturbing" is as far as the United States will go now. The only other tactic was a warning that Americans should travel to South Korea only if absolutely necessary, a warning that could have economic disadvantages for South Korea.

*The vast expansion of martial law* Saturday night surprised U.S. officials. Ambassador William Gleysteen was informed of it about 45 minutes before the Cabinet was called into an emergency meeting in a building surrounded by troops.

It was another example of the new military leaders' indifference to

(Continued on Page 2, Col. 7)

# Iranian Firing Squad Executes 20 for Heroin Trade

By Harvey Morris

TEHRAN, May 21 (Reuters) — Iran's roving Islamic judge, Sheikh Sadegh Khalkhali, sent 20 heroin traffickers to the firing squad today in the biggest mass execution of common criminals since the Iranian revolution.

The sentence was carried out at Tehran's Qasr Prison after a four-day trial conducted by Sheikh Khalkhali in his new role as head of the country's anti-narcotics strike force.

Sheikh Khalkhali spared the life of a woman defendant charged with cooperating with drug producers and traffickers. She was given a life sentence.

### Trial in Progress

A prison spokesman said some of the defendants were arrested two days ago — when the trial was already in progress.

Meanwhile, the Pars news agency reported two Afghan helicopters flew over bordering Iranian territory today and were fired on by Iranian troops, the second such incident in less than 36 hours. The report said the helicopters flew back to Afghanistan.

In yesterday's incident, two helicopters variously described by Iranian sources as Russian or Afghan fired rockets and shells. One person was reportedly killing in an area near the border town of Tayebad, in northeastern Iran.

### Entitled to Punish

President Abolhassan Bani-Sadr appointed Sheikh Khalkhali to the anti-narcotics post earlier this month. There was disagreement over his areas of responsibility, however, and he submitted his resignation after four days.

The president wanted the sheikh to act purely as an investigator who would pass his findings to judicial authorities for appropriate action. But the sheikh argued that, as an Islamic judge, he was entitled to punish offenders — a function he has begun to fill since Mr. Bani-Sadr rejected his resignation.

In an interview on state radio, Sheikh Khalkhali, who says he has ordered more than 300 executions since the revolution 15 months ago, said: "For the sake of this great nation we cannot show sympathy toward these criminals. Islam regards these death-dealers as corrupt, and their punishment is destruction and eradication. It is the order of Islam that they should be eradicated for the sake of the welfare of our boys and girls and the people."

He said the 20 persons executed ran the biggest heroin network in the Middle East, with contacts stretching from India to Europe. He added there would be no crackdown on addicts who dealt in small amounts of drugs. The authorities were instead asked to place welfare facilities at their disposal.

Officials estimate there are 2 million drug users in Iran, which has a population of about 30 million.

A radio commentary applauded the executions, saying Islam always seeks to reform society. The commentary said the spread of drugs had been part of a colonialist scheme to corrupt the nation's youth and that narcotics had been used since the revolution as a weapon of counterrevolutionaries.

### Controversial Figure

Sheikh Khalkhali is one of the most controversial figures of the revolution. Ministers and officials embarassed by his often outspoken statements have occasionally sought to deny he has an official role, only to be rebuked by Ayatollah Ruhollah Khomeini.

He has been trusted with sensitive missions, such as last year's crackdown on Kurdish guerrillas, in which he ordered about 70 executions.

More recently, he was ordered to the scene of the abortive raid to rescue the U.S. hostages. He returned to Tehran with the bodies of U.S. commandos killed in the landing in the desert.

He unwrapped the charred corpses in the courtyard of the occupied U.S. Embassy in an attempt to prove to reporters that there were nine bodies, rather than the eight acknowledged by the United States.

## U.S. Hostages: 200 Days

TEHRAN, May 21 (UPI) — As the U.S. hostages spent their 200th day in captivity today, the leader of the Moslem fundamentalist parliamentary majority said the United States must be patient about the outcome of proceedings to resolve the crisis.

Ayatollah Mohammad Beheshti, leader of the Islamic Republican Party, said "confrontation and stubbornness" would not help solve matters. "Therefore," he said, "it is in their interest that [the United States] remain patient" until the Majlis (parliament), scheduled to meet next week and take up the issue, comes to a decision.

Meanwhile, militants holding 50 of the 53 hostages in 15 towns across Iran told the parliament they expected it to vote for a trial of the captives, who have been held since last Nov. 4. Three other U.S. diplomats, although not reported to be in the custody of the militants, have been detained at the Foreign Ministry.

The militants' communique said that the newly elected parliament, designated by Ayatollah Ruhollah Khomeini to decide the hostages' fate, must vote to try them because it was "the demand of the imam [Ayatollah Khomeini] and the nation."

The International Court of Justice in The Hague will rule Saturday on the U.S. claim that Iran must release the hostages, pay damages for seizing them and prosecute those responsible. The court has no enforcement power; that rests with the UN Security Council.

# *Efforts Grow in South Africa to Free Mandela*

By John F. Burns

CAPE TOWN (NYT) — Viewed through a telescope atop Table Mountain, it looks idyllic: an island glistening in Table Bay, choppy Atlantic waters washing its rocky shore, with a cluster of whitewashed buildings that could be any South African country town.

Nothing would suggest to the casual eye that Robben Island, seven miles from Cape Town harbor on the leeward side of one of the world's busiest shipping routes, was the site of a prison. But in the psyche of South Africa's black nationalists and in the pages of South African history, "the island" has a connotation akin to that of Alcatraz or Devil's Island.

Jan van Riebeeck, founder of the Dutch settlement here in 1652, used the three square miles of scrub grass as a place of banishment for dissidents. For decades after 1850, it was used as a leper colony, a mental asylum and a place to sequester the chronically sick. In 1931 the South African Navy took it over and used it for 30 years to guard the seaward approaches to Cape Town until the government retrieved it as a political prison.

Among South Africans it is the *ultimate metaphor for isolation*, but it is attracting fresh attention because of a campaign to free one of the 480 prisoners, a tall, imposing man by the name of Nelson Mandela. Known to the South African press in his younger days as "the Black Pimpernel," he heads all lists of the man most likely to be prime minister if black rule comes to South Africa.

### Almost 16 Years

Mr. Mandela, 61, will have been on Robben Island 16 years next month — the first decade working in the prison's limestone quarries. He now works in the garden in the prison compound.

Once described by a South African judge as "the leader and figurehead of his people," he was at his conviction in 1964 the top official of the African National Congress, the body that has led black resistance for most of this century. Its intensified campaign of urban guerrilla attacks is now creating new anxieties among whites.

Mr. Mandela, a lawyer, was one of nine defendants at the Rivonia trial, named for the suburb of Johannesburg where several of them were arrested. After months of testimony centering on Mr. Mandela's role as leader of the Spear of the Nation, a paramilitary offshoot of the African National Congress, eight of the nine, including Mr. Mandela, were convicted of treason and sabotage and sentenced to imprisonment for life.

Sentences under South Africa's security laws are not subject to remission, and more than one justice minister has said that Mr. Mandela must expect to die in jail. From time to time, some people outside the government have urged that he be freed on conditions that would restrict his political activity, but he has passed the word that he would sooner remain where he is, uncompromised.

The latest bid to free him was begun three months ago. Percy Qoboza, editor of The Post, a black newspaper in Johannesburg, organized an appeal for the nationalist leader's release that attracted widespread support, not solely among blacks. In Cape Town and other major cities, whites put "Free Mandela" stickers on the bumpers of their cars, and several prominent Afrikaners, the Dutch-descended whites who control the government, added their backing.

### Surprising Support

The most surprising was Gen. Hendrik van den Bergh, who as chief of the security police played a personal role in Mr. Mandela's imprisonment. The general, who later founded and led the Bureau for State Security, an agency with a worldwide network of undercover agents, said from retirement that Mr. Mandela had "served his debt to society" and should be released.

Last week, Helen Suzman, a member of the parliamentary opposition and a persistent critic of the government, was permitted to visit Robben Island for talks with Mr. Mandela and other prisoners, a small sign that the government attitude might be softening. But the formal position remains unchanged.

If the government considered his release, it probably would attach a condition advocated by the Sunday Times of Johannesburg: that Mr. Mandela publicly forswear violence. But that is a condition few nationalist leaders would accept when many blacks appear to have concluded that some form of coercion will be necessary to bring whites to the bargaining table.

African National Congress policy was demonstrated in January when three nationalist militants stormed a bank in a Pretoria suburb and took more than 20 white hostages, demanding the release of Mr. Mandela and other nationalist leaders. Police sharpshooters killed the three raiders.

There is little doubt that Mr. Mandela learned of the raid. Like all those convicted under the security laws, he is denied access to newspapers, radio and television and is allowed to read other journals only after they have been censored for political content. However, he is allowed two 30-minute visits a month from relatives; in recent years he has been seen regularly by his wife, Winnie, and two daughters. Occasionally there are other visitors, such as Mrs. Suzman.


**inside**

**Finance and Investment In the U.S.**

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# Soviet Peace Offensive Conceals Lack of Movement on Positions

By Craig R. Whitney

MOSCOW, May 21 (NYT) — The initial indications from here are that there is less to the current Soviet peace offensive than meets the eye.

By their actions on several fronts in the past week, the Russians have created the impression of movement. Warsaw Pact leaders called last Thursday for a global peace conference; Foreign Minister Andrei Gromyko had his first talk with the U.S. secretary of state, Edmund Muskie, in Vienna on Friday; and President Leonid Brezhnev conferred for five hours with President Valery Giscard d'Estaing of France in Warsaw on Monday.

However, judging from what ranking Soviet officials as well as Western diplomats in Moscow have said about the talks, the flurry of activity conceals a lack of change in any of the basic Soviet positions in the impasse resulting from their intervention in Afghanistan last December.

"The Soviet Union has never said it wanted to break off contacts with anyone," a Soviet diplomat said after the Franco-Soviet summit meeting. "It was useful to get to know your new [U.S.] secretary of state and let him know our position. It was logical for Mr. Brezhnev to meet with the French president,

## NEWS ANALYSIS

since we have had regular consultations and exchanges ever since de Gaulle's visit to Moscow in 1966. Whatever comes out of it, it won't be war."

Mr. Giscard d'Estaing said after his talk with Mr. Brezhnev that he had not expected to achieve a breakthrough with the Russians on Afghanistan. Pravda, commenting yesterday on the visit as "a fruitful exchange of views," acknowledged:

"Of course, in the foreign policy sphere there are differences of views on some questions between the Soviet Union and France."

The biggest problem is Afghanistan. Soviet officials say that there has been no change in Moscow's conditions for a troop withdrawal, although there was some elaboration of those conditions in an Afghan government statement last Wednesday that was part of the peace offensive.

The statement called on the United States, Pakistan and Iran to stop interfering in Afghanistan by giving aid and shelter to the anti-government rebels there. Only after bilateral agreements "putting an end to armed invasions," only after guarantees by the United States that the "invasions" would stop, could Soviet troops be withdrawn, the statement said.

In the view of most Western diplomats here, this has been the Soviet position from the outset. Mr. Brezhnev said in his first public statement on the intervention last Jan. 12 that his troops would leave as soon as the reasons for their going ceased to exist — that is, when all resistance to the Marxist government in Afghanistan was eliminated.

Mr. Muskie described this plan as "cosmetic and not a meaningful proposal." On Monday, a Soviet diplomat here described it as "quite realistic."

"It offers a basis for a solution," the Soviet diplomat said, "but first the United States has to stop supplying weapons to the so-called Afghan freedom fighters. There's plenty of evidence that this activity is going on."

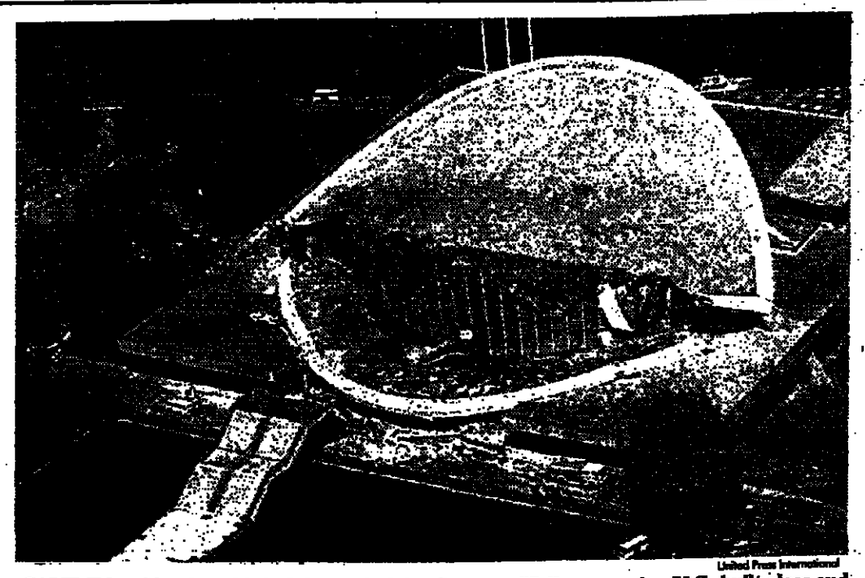
Mr. Gromyko's willingness to see Mr. Muskie, and Mr. Brezhnev's secretly arranged exchange of views with Mr. Giscard d'Estaing, also represented no change in the Kremlin's position. Ever since the United States reacted to Afghanistan by cutting back on grain sales, trade and high-level exchanges with the Soviet Union, the Russians have portrayed themselves as the aggrieved party and said that they would be willing to talk as soon as Washington came back to its senses.

Over the past few months, the U.S. ambassador to Moscow, Thomas Watson Jr., has maintained contacts with well-placed Soviet officials. They have accepted his invitations with alacrity, but have had nothing encouraging to offer.

The Russians insist that relations with the United States cannot improve significantly until the U.S. Senate ratifies the strategic arms limitation treaty that Mr. Brezhnev and President Carter signed in Vienna last June. Privately and publicly, they insist that the Carter administration's reasons for not pressing for ratification now — because of the furor in the U.S. Senate over Afghanistan — are not genuine.

"The Carter administration will just have to stop all these circus tricks and take a more constructive approach," a Soviet official said Monday. "There's been one excuse after another for not ratifying the treaty, and we regard all of them as deceptions."

West German diplomats in Moscow, planning for a visit here by Chancellor Helmut Schmidt next month, expect no breakthrough. What these West German diplomats do believe — and it is one of the few things on which the Russians agree with them at the moment — is that it is better to talk and disagree than not to talk at all.



United Press International

CAVE-IN — Nearly a third of the roof of the Congress Hall, a sweeping U.S.-built glass and concrete structure that has become an architectural landmark in West Berlin, collapsed yesterday, injuring five persons. Officials said about 120 persons attending a convention of West German businessmen escaped unhurt out the back door of the hall in the Tiergarten district. An analysis showed structural fatigue apparently caused a support to buckle, forcing the overhanging front roof to collapse and crushing the entrance of the building, police said.

# *Islamic Conference Ends With Strong Blast at U.S.*

By Marvine Howe

ISLAMABAD, Pakistan, May 21 (NYT) — Islamic foreign ministers reaffirmed their opposition to the Soviet military intervention in Afghanistan today but directed the brunt of their condemnations against the United States for its recent actions in Iran and its support of Israel on the Palestinian question.

Delegations from 38 Islamic countries and the Palestine Liberation Organization wound up a five-day conference in Islamabad tonight with a considerably milder stand on the Soviet intervention than their sharp condemnation in an emergency session last January.

Expressing "deep concern" over the continued Soviet military presence in Afghanistan, the conference announced the establishment of a ministerial committee to begin consultations for a comprehensive solution to the Afghan crisis. This move was seen by observers as an opening to the Soviet-supported Kabul regime, which had been declared illegal by January's conference.

"If we really want to solve the Afghanistan problem, there must be talks with the parties concerned: the Soviet Union, Pakistan, Iran, Kabul and the Afghan rebels," Foreign Minister Sadegh Ghotbzadeh of Iran told reporters.

Mr. Ghotbzadeh, who has emerged as the prime mover in this meeting, said that consultations with the Soviet Union "are not only understandable but necessary," but he stressed that it was the Soviet Union which has refused to discuss the Afghan problem, "constantly hiding behind the so-called Karmal government."

The foreign minister, who brought Afghan guerrilla leaders into his delegation in an open challenge to the Soviet Union, insisted that the rebels must be included in any consultations on Afghanistan. But Abdul Rasoul Sayef, the spokesman at the conference for the Afghan *mujahaddin*, or freedom fighters, appeared openly disdainful of the decision to set up a committee to resolve the problem.

"Our only negotiation is *jihad*, holy war," Mr. Sayef told newsmen. "The Russians must get out."

Meanwhile, the conference condemned "the recent American aggression against Iran" and the threat to use force or any other sort of intervention or economic sanctions.

In January, several Islamic states rebuked Iran for holding the U.S. hostages, and a resolution merely expressed the hope that the United States and Iran would resolve their problems by peaceful means.

The United States also came in for a severe condemnation on the Middle East peace process, as in past Islamic conferences.

### PLO Position Stated

"We explained to our Moslem brothers the aggressive attitude of the United States against the people of Palestine," said Abdul Mohsin Abu Maizer, the PLO delegate, mentioning specifically the recent U.S. veto in the United Nations Security Council over the issue of Palestinian self-determination, the U.S. role in the Camp David accords and Washington's financial and military support of Israel.

The Palestinian representative also said that the conference had accepted an urgent resolution calling for an emergency session of the Security Council to declare Israeli moves concerning the status of Jerusalem "null and void."

Last week, Israel's Knesset passed a draft law perpetuating Jerusalem as the nation's capital. Israel declared Jerusalem its capital in 1949.

The conference called on all Moslem countries to sever relations with any state recognizing the Knesset's action and said an extraordinary Islamic conference would be held within three months if the draft law was enacted.

The PLO and four states belonging to the so-called Steadfastness Front that have close relations with the Soviet Union expressed reservations on the Afghanistan resolution.

"The Islamic countries must distinguish between their friends and enemies," Mr. Abu Meizer said. "The main enemy is the United States. We can never believe that Carter can be with the Moslems in Afghanistan and against Moslems in Palestine and in Iran."

# Socialists Seek Vote of Censure Against Suarez

MADRID, May 21 (UPI) — The Socialist opposition asked parliament today for a vote of censure against centrist Premier Adolfo Suarez and nominated Felipe Gonzalez, the Socialist leader, to replace Mr. Suarez as head of government.

Gregorio Peces Barba, a Socialist deputy, made the motion on the second day of a debate called by Mr. Suarez.

Under the constitution, the vote may not be held until Monday at the earliest and other parties may present alternative motions for the next two days.

The popularity of Mr. Suarez, 47, who served as architect of Spain's transition from dictatorship to democracy, has been dropping steadily in recent months. A poll published in late April showed that only 35 percent of Spaniards believed he was dealing effectively with the nation's problems.

Spain is afflicted with the worst terrorism in Europe, and 55 persons have died this year in political violence. Unemployment is estimated at 12 percent, and inflation, 15.6 percent last year, is expected to rise.

## Giscard Receives U.S. Ambassador

# *France Briefs NATO Allies on Summit*

By Flora Lewis

PARIS, May 21 (NYT) — France launched intensive efforts yesterday to brief its allies on the talks that President Valery Giscard d'Estaing, with little prior consultation, held Sunday in Warsaw with President Leonid Brezhnev of the Soviet Union.

The official French position was that the talks accomplished exactly what Mr. Giscard d'Estaing intended: They kept open the lines of East-West communication. But spokesmen acknowledged that nothing beyond that had been achieved, although they insisted that there had been an improvement in the tone of Soviet opposition to the deployment of medium-range nuclear missiles in Western Europe.

The Russians still showed no interest in NATO's offer not to deploy the missiles in return for the withdrawal of Soviet SS-20 missiles targeted on Western Europe, a high Foreign Ministry source said. Instead, he said, Mr. Brezhnev indicated that Moscow intended to add to its forces — particularly the shorter-range SS-21s, SS-22s and SS-23s, which are being deployed in the Warsaw Pact countries — before considering negotiations.

### Envoy Speaks Out

This position was also expressed in Paris yesterday by the Soviet ambassador, Stepan Chervonenko, who has become an important spokesman for Moscow's foreign policy. Addressing a press lunch, he said that "the Soviet Union and its allies have sufficient means for not permitting a change in the balance of forces," which he charged the United States was trying to upset in favor of "an aggravation of NATO's existing superiority."

Mr. Chervonenko repeated the Soviet argument that the Western missile plan was destabilizing because it would allow only three or four minutes of warning between the time the missiles were launched the time they reached their targets in the Soviet Union — although no mention was made that the same was true of the SS-20s pointed at the West, and that presumably even less time would be available for warning of an attack by shorter-range missiles. However, the argument of existing NATO superiority was new. Until now, the Russians had charged that Western missiles would destroy existing parity.

Mr. Giscard d'Estaing received the U.S. ambassador, Arthur Hartman, yesterday to give him a report on the Warsaw summit meeting, while Foreign Minister Jean Francois-Poncet flew to Bonn to inform Chancellor Helmut Schmidt and Foreign Minister Hans-Dietrich Genscher.

The allies were being told that Mr. Giscard d'Estaing went along with the Soviet proposal for a world summit on detente, but insisted that it take place in 1981 because he felt that by then the Russians would be feeling the consequences of failure in Afghanistan and be tempted to negotiate their way out.

### 'Divisibility of Detente'

Elections are to be held in the United States and West Germany this year and in France in the spring of 1981, and these were seen as obvious factors in Mr. Giscard d'Estaing's timing. Spokesmen said that Mr. Brezhnev indicated that he did not expect to be able to find grounds for improvement in relations with the United States until after the fall elections.

The French sources admitted that a negative side of the Warsaw talks, and of Mr. Schmidt's scheduled visit to Moscow after the Western summit conference in Venice next month, was that such talks implied the "divisibility of detente" — that is, that stable East-West relations were possible in Europe despite Soviet expansion elsewhere.

They asserted that there was a positive side, however, in heading off a fierce Soviet campaign against Mr. Schmidt for continuing to endorse the NATO missile plan, and that France had stiffened Mr. Schmidt's resolve after the West German chancellor had begun to waver on the issue. This has not been confirmed by Bonn.

### Opposing Views

Essentially, the theme being voiced by French spokesmen is that the gravest danger to East-West relations is that the Soviet Union will turn in on itself. It is therefore essential to open communications that will give the Soviet leaders an exit from the circle in which they have enclosed themselves since the intervention in Afghanistan, it is argued.

Despite formal insistence that France has the same judgment of the situation as its allies, it is in fact the opposite of Washington's view that Moscow must be made to feel the cost of its aggression by isolation and loss of acceptance and influence in the rest of the world.

Mr. Giscard d'Estaing's view that it is more important to maintain contact with Moscow than to demonstrate united Western resistance has evidently not changed since the beginning of the year.

The Foreign Ministry source said that last weekend's meeting was conceived in January, advanced by a visit in late April to Warsaw by Michel Poniatowski, a friend of Mr. Giscard d'Estaing, and confirmed and arranged in detail by an aide on May 8 and 9.

# France Defends Summit, Rejects Muskie Criticism

(Continued from Page 1)

Gaulle's foreign minister and later prime minister, asked why a new session with the Russians was needed, since Mr. Francois-Poncet himself had noted that both participants already knew each other's views. Mr. Couve de Murville called the meeting "an unjustified improvisation."

Saying that Mr. Francois-Poncet had still not explained whether the idea for the meeting came from the French or Soviet side, Mr. Couve de Murville said that the Russians had caught themselves up in a situation in Afghanistan from which they could not extricate themselves and that this had created the gravest international problem in 20 years.

The government used a special procedure to confine parliamentary debate to Mr. Couve de Murville's lone response. The Gaullist was applauded by a number of uneasy Giscardist deputies.

In the assembly corridors, another former de Gaulle minister said of the remarks by Georges Marchais, the Communist Party leader who praised Mr. Giscard d'Estaing's trip as a show of French national independence: "I get very suspicious when I hear George Marchais talk about independence."

Mr. Francois-Poncet's attack on Mr. Muskie seemed designed to capitalize on the traditional anti-American reflexes of many French. "France," the minister said, "conducts an independent foreign policy. It holds talks with whomever it wants to whenever it wants to."

Mr. Francois-Poncet recalled that Mr. Muskie had said after meeting the Soviet foreign minister, Andrei Gromyko, in Vienna last week that their conversation had been "useful and even necessary" although it had not produced any progress.

"Why," the French minister asked, "is it that what is rightly considered useful and necessary when it comes to Mr. Muskie and Mr. Gromyko should become harmful and superfluous when it comes to the president of the republic and Mr. Brezhnev?"

Mr. Francois-Poncet, who made an unannounced visit to Bonn last night to brief Chancellor Helmut Schmidt on the Warsaw talks, said that the West German leader would make his much-discussed trip to Moscow in the coming weeks.

The chancellor is the only Western leader to have expressed public satisfaction with Mr. Giscard d'Estaing's trip to Warsaw. Privately, West German officials are expressing extreme annoyance.

Mr. Francois-Poncet is scheduled to give a commencement address at Mr. Muskie's alma mater, Connecticut Wesleyan, on May 29, and then is to meet Mr. Muskie in Washington on May 30.

# *Quebecers Vote 'No'*

(Continued from Page 1)

jectives, would react to yesterday's outcome. Mr. Trudeau had pledged to initiate constitutional negotiations without giving any hints as to whether he was prepared to abandon his long-standing opposition to "special status" for Quebec.

The mainstream of Quebec opinion, which embraces both Mr. Levesque's and Mr. Ryan's forces, has been in favor of more power for the provincial government while keeping the federal government in Ottawa at arm's length.

Although the separatists want to achieve political sovereignty, they envision a high degree of economic, military and diplomatic integration with Canada. This would include a monetary trade and customs union.

### Narrow Difference

Mr. Ryan, who has assailed Mr. Levesque and his proposals, is an equally forceful Quebec nationalist with aims differing from those of the Parti Quebecois only in that Mr. Ryan believes they can be achieved without separation.

As a result, this is one of the most difficult moments in Canada's 113-year history. Quebec, with its 595,000 square miles, is the largest of the 10 provinces and second only to Ontario in population. Until recently, French-speaking Quebecers maintained a distinct cultural identity as an inward, rural people dominated by the Roman Catholic Church who had left commerce and industry to the English-speaking Protestant minority. The minority assumed economic power that has persisted to this day.

In the past two decades, the French-speaking Quebecers have broken out of that mold and have moved swiftly to urbanize their culture and educate the younger generation in unprecedented numbers. A new French-speaking elite not only has challenged the English-speakers' economic domination, but also has sought to exert greater political authority and has pursued an international role for Quebec.

# *Russians Testify At Menten Trial*

ROTTERDAM, May 21 (AP) — Two Soviet witnesses testified yesterday that Pieter Menten, an accused Dutch war criminal, was in command of a Nazi execution squad in the former Polish village of Podhoroce in 1941.

They gave evidence on the third day of the trial of the millionaire art collector, who is charged with taking part in the murder of 20 to 30 Jews in Podhoroce, now part of the Soviet Ukraine. Mr. Menten, 80, denies the charge.

In 1977, Mr. Menten was accused of taking part in the massacre of at least 195 residents of two Polish villages. He was acquitted of atrocities in one village but drew a 15-year prison term for involvement in the massacre at Podhoroce. The Dutch Supreme Court overturned that conviction on technical grounds and ordered a retrial.

# *Cabinets Act On Sanctions*

(Continued from Page 1)

award of loans and credits to Iranians or foreigners living in Iran or to companies controlled by Iranians. Special permission will also be required for deposits of more than 500,000 Deutsche marks (about $280,000) in Iranian accounts in West Germany.

At the European Parliament in Strasbourg, the Liberal group called for a censure debate of Britain for its turnaround on Iran. The leader of British Conservative group, James Scott-Hopkins, said that the Parliament should not consider divisive issues but rather work at unity. The question was referred to the Parliament's political committee, which, in theory, could return it to the floor for action.

### Actions by EEC Members

LONDON, May 21 (AP) — As EEC bureaucrats met in Brussels to discuss the implications of the British turnabout, other Common Market governments acted to put the agreed sanctions into effect, as follows:

- Belgium and Luxembourg: Officials in both countries said retroactive sanctions, including all financial dealings, will be imposed starting tomorrow under existing legislation.
- Denmark: Officials reaffirmed the government's pledge in Naples and said that retroactive sanctions were expected to be applied early next week.
- Italy: Under a government decision Monday, the Italian government will enforce retroactive sanctions effective tomorrow.

Before November, Italian exports to Iran were $346 million a year, making Italy the fourth biggest trading partner of Iran in the European Community — after West Germany, Britain and France. Officials in Rome said privately that the effect of the sanctions order would be minimal because all major contracts were signed before November.

- The Netherlands: Officials said that the country will apply retroactive sanctions tomorrow under existing legislation. They complained that Britain's reversal has threatened Common Market solidarity.
- Ireland: A ministerial order enforcing retroactive sanctions was being drawn up, a government spokesman said.

# Russia Reported To Modify SS-20

BRUSSELS, May 21 (Reuters) — The Soviet Union will soon have four warheads instead of three on its SS-20 nuclear rockets, which can reach all of Western Europe and most of China from Soviet bases, NATO sources said today.

Gen. Herman Gundersen, chairman of NATO's military committee, said last week that the Soviet Union had deployed about 150 of the mobile triple-headed missiles.

To counter this weapon, the Western alliance decided in December to deploy almost 600 U.S. Pershing-2 and Cruise missiles in Western Europe, starting in 1983.

# WORLD NEWS BRIEF

## *UN Council Censures Israel Over Expulsi*

UNITED NATIONS, N.Y., May 21 (NYT) — The UN Security censured Israel yesterday for the fourth time in less than three mo time for refusing to readmit three Arab leaders deported from the West Bank.

The vote was 14-0, with the United States abstaining, as it has ly, on the ground that the resolution was unbalanced. However, Department has strongly criticized the expulsions.

The Security Council motion "strongly deplores" Israel's failur by a council resolution approved May 8 that called on Israel to expulsion order. The three deported leaders tested the council's May 11 by attempting to cross the border from Jordan to the W They were turned back by Israeli soldiers.

## *32 Slain in 2 Days of Violence in El Sal*

SAN SALVADOR, May 21 (UPI) — Gunmen believed to be attacked the liberal El Independiente newspaper with submacl yesterday, killing a 20-year-old messenger, authorities said. F deaths were reported in provincial towns, raising the two-day political violence to 32.

Presumed rightists also bombed church-run radio station YSA third time, officials said, and men firing submachine guns shot ar union leader on a San Salvador bus. The newspaper messenger w death by five men as he stood near the automobile of the ne publisher, Jorge Pinto. It was the second attack on the newsp March 13.

Defense Minister Guillermo Garcia denied reports that sm near border areas had been put on alert in anticipation of an in leftist guerrillas. Leftist spokesmen, meanwhile, said that troops explosives and fired from helicopters yesterday, killing 16 peasa villages east of the capital. The report, which the military denied, immediately be confirmed.

## *Indonesia Will Not Sue Former Oil Offi*

JAKARTA, May 21 (UPI) — Indonesia will not sue the form of Pertamina despite the state-owned oil company's $10.5-billi under his management, the government said today. State Secretar mono also said that Indonesia's economy was sound again an effects of the crash had mostly been absorbed.

Gen. Sudharmono told the national assembly: "The governme yet found any solid ground to bring [Lt. Gen. Ibnu] Sutowo be and will not take any legal action against him unless new found." Pertamina's foreign debt currently amounts to $1.5 billi with the company's debt to the Bank of Indonesia at $2 billion government, in oil taxes, at $1.1 billion.

The crash of Pertamina in 1974 cost $10.5 billion, according estimates, and as much as $19 billion by foreign financial estim

## *Mubarak to Carry Sadat Message to Ca*

CAIRO, May 21 (UPI) — Vice President Hosny Mubarak that when he leaves for the United States tomorrow he will ca portant message from President Anwar Sadat to President C Egypt's position in the stalled Palestinian autonomy negotiations el.

He said that Mr. Sadat's message is verbal, and that Egypt's the yearlong negotiations "is basic and has not changed." That is refer to Egypt's rejection of Jewish settlements in occupied terri insistence that east Jerusalem be included in the autonomy scheme.

Mr. Sadat broke off autonomy talks May 8, but last week agre resumption — only to change his mind again because the Israeli was considering a law reserving the right to approve any Jerusalem's status. Egypt's Middle East News Agency said a m tween Mr. Carter and Mr. Mubarak has been set for next Monda

## *France to Set Own Prices If Farm Talks*

PARIS, May 21 (Reuters) — France will take its own measu port farmers if Common Market agriculture ministers fail ne agree on new farm prices, President Valery Giscard d'Esta spokesman said today.

Jean-Marie Poirier said after a Cabinet meeting that France 5-percent price increase, already agreed to by all the European Community nations except Britain, on May 30 if the ministers d on an increase. This would support milk and beef producers, w were to have risen April 1. Prices for other farm products w later.

# 11 Dead in South Kore As Demonstrations Gr

(Continued from Page 1)

planning an attempt to overthrow the government. Mr. Kim, a former presidential candidate, was seized Saturday in his home in the first round of arrests of prominent politicians and dissidents.

A document circulated by the martial law command, seeking to justify the military takeover, asserted that Mr. Kim had controlled recent student disturbances from behind the scenes, hoping to take power by a violent overthrow of the government.

Reports of the fighting in Kwangju were fragmentary most of the day because communications were cut off and an attempt was made to prevent anyone ing the city.

One report said that were killed, four of them cers crushed when dem smashed into a blockade. Two soldiers and five ot were reported slain. At citizens placed the bodies on carts and wheeled the the city square to incite onstrations, reports said.

Two television station burned by demonstrato they were required to the government statements.

### Began Sunday

The fighting began Sun students from two local demonstrated against takeover and demanded martial law. Paratroopers ly clubbed them with rifle ripped the clothes off protest has spread spon thousands of citizens join

Kwangju is the capital Cholla province, the bir Kim Dae Jung, which ha of rebelliousness against government.

Military reinforceme been rushed in, but in have been unable to quell ing. Citizens demanded the troops be removed a prisoners be released. T cial governor was repor supporting their demands.

In a broadcast tonight tial law commander, Lt. Hui Sung, claimed that t had become a "grave situ cause North Korean spies trated the city. He said "impure elements" a "hoodlums" seized weapo plosives from the armed staged the major riots.

He urged citizens to re and warned that his troop the right of self-defen armed citizens.

# *U.S. Position On S. Korea*

(Continued from Page 1)

U.S. influence since the assassination in October of President Park Chung Hee. They gave no warning when they took command of the armed forces in a coup on Dec. 12. The embassy and Gen. John Wickham, commander of U.S. forces in South Korea, were furious at the move. They were surprised again when the generals put one of their own, Lt. Gen. Chun Doo Hwan, in charge of the Korean Central Intelligence Agency.

The surprises were deliberate. Gen. Chun and a half-dozen colleagues are known to resent U.S. influence and to a certain degree are motivated by an anti-American nationalism. When reports circulated that U.S. officials disapproved of his appointment to the KCIA, Gen. Chun told reporters that the matter should be of no concern of the Americans.

### Minor Protest

U.S. military officials made a minor protest of the appointment by refusing to schedule a joint military consultation that had been tentatively arranged for this time of year.

Friction between the two countries' military organizations is considerable, sources in South Korea have confirmed, and there is said to be a lack of trust at the highest levels between Gen. Wickham's command and the generals who took power in December by ousting senior generals with whom U.S. commanders had been comfortable.

It stems primarily from Gen. Chun's sudden movement of troops from Gen. Wickham's joint command during the December rebellion. That violated a long-standing agreement under which troops were not moved without Gen. Wickham's authorization.

## Italian Entertai Denied Entry t

ROME, May 21 (UP State Department has pr popular Italian husban comedy team from en United States because th pected of having links w terrorist groups, a U.S. spokesman said today.

Dario Fo and Franca R to have begun a U.S. to day, but were unable visas. The spokesman sai were denied the papers b their association with known as Soccorso Ro Help), suspected by Italian having links with the Red

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HOTEL GRANDE BRETAGNE & ATHENS HILTON
MYCONOS, CORFU, RHODES
NEW YORK - 4 WEST 57TH STREET & FIFTH AVENUE

*Federal Inquiry*

# ghts-Abuse Probe Miami Police Set

By John M. Crewdson

May 21 (NYT) — Attor- al Benjamin Civiletti an- esterday that a team of 25 al prosecutors and agents assembled here to look d civil rights abuses by nforcement officers.

quiries are to cover not ase that touched off last rioting, in which at least s died, but also several ances of alleged police nst black Miamians, he

ing, called the costliest rder in the nation's histo- Saturday after the ac- four white former Dade olice officers who had ed of beating to death cDuffie, a 33-year-old rance executive.

iletti said that a grand d begin hearing evidence nst the four former offi- determine whether they charged with civil rights in McDuffie's death. He that a force of assistant neys, FBI agents and dep- arshals was being sent to ook into the other cases.

weekend of shooting, rson and looting in which 300 persons were injured 1,000 arrested, the city relatively calm last night. s reopened, but all com- remained closed and a urfew remained in force.

iami Police Department s investigating allegations of its officers had de- dozen automobiles be- persons they had arrest- harged with looting late ght. The cars were discov- eir owners Monday with smashed, tires cut, interi- out and engines disabled. had been written on each range paint.

lice said witnesses con- at police officers sent to supermarket where the curred had damaged the nd that a preliminary in- "tends to verify these

Feelings in Miami's black community had been running high for months over what many saw as mistreatment by the police, but there had been no flare-ups of violence before the acquittal of the four men charged in the death of McDuffie.

The McDuffie case was one of the few police brutality cases here in which state criminal charges had been filed. In February of last year, the police mistakenly raided a black schoolteacher's home, thinking that cocaine was being sold there. The teacher said later that he and his son had been beaten. No action was taken against the officers.

**Not Charged**

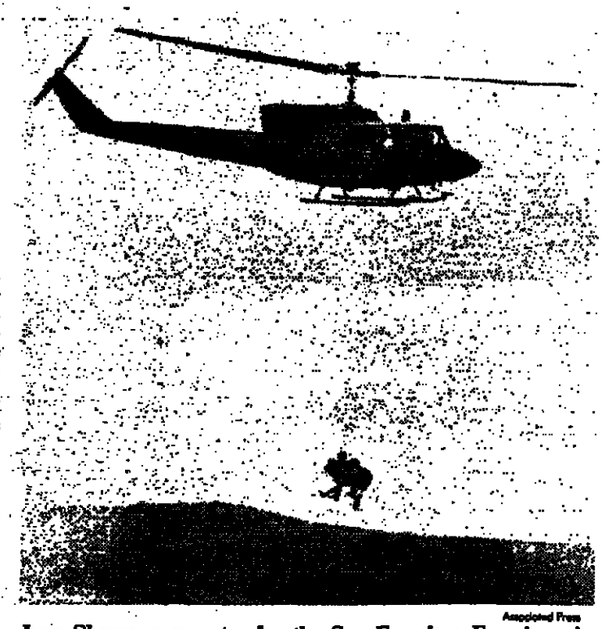
Last October, a 22-year-old black man was shot and killed by an off-duty white policeman, who said that his gun had gone off accidentally. The officer was not charged. Also last year, a white highway patrolman who admitted molesting an 11-year-old black girl was permitted to plead guilty to a reduced charge and given a probated sentence.

The federal team is expected to look into those incidents and others for which the five-year federal statute of limitations has not expired.

Officials of the Justice Department's Community Relations Service, which monitors racial and other tensions nationwide, have been in Miami since Sunday, attempting, as one of its officials put it, "to get the ear of local officials to tell them what we've been trying to tell them all along" about worsening police-community relations here.

"They're listening now," the official said. "It's usually before a riot that they don't listen."

Insurance and fire investigators were tentatively estimating damage to Miami's northwest side, where whole blocks of businesses were little more than smoking shells, at $100 million or more. The damage to the Watts section of Los Angeles in 1965 was estimated at $44 million; in the violence during the electrical blackout in New York City in July, 1977, damage totaled $28 million.



Associated Press

**Ivan Sharpe, a reporter for the San Francisco Examiner, is hoisted with Sgt. Richard Harder, a paramedic, into an Air Force Reserve helicopter after the newsman became stranded in heavy ash near the Mount St. Helens volcanic eruption. Both were slightly injured and taken to a hospital in Kelso, Wash.**

# *Carter to Inspect Damage From Volcanic Eruption*

By Bayard Webster

WASHINGTON, May 21 (UPI) — President Carter left today to inspect the damage from the Mount St. Helens volcano in Washington state.

The White House said that Mr. Carter would spend the night in Portland, Ore., then fly by helicopter tomorrow over the mudflows, floods and debris caused by the eruption.

Before he left for the West Coast, the president signed a declaration making the state of Washington a major disaster area, eligible for federal funds for relief and recovery efforts in designated areas.

He also announced formation of a team of scientists "to direct and coordinate the collection and dissemination of scientific information about the volcanic eruption and its effects on people and their environment."

Jody Powell, the White House press secretary, said that Mr. Carter had decided to tour the area at the urging of state and federal officials. Mr. Powell said that the damage "is much more extensive than originally thought."

Mount St. Helens erupted Sunday, killing at least eight persons and leaving ash, mud and floods in the surrounding areas. The volcano continued pumping smoke and ash into the sky today, feeding a 3,000-mile-long cloud of ash moving across the nation.

## Little Effect Seen On World Weather

By Bayard Webster

NEW YORK, May 21 (NYT) — The volcanic eruption of Mount St. Helens has produced a huge cloud of gas and infinitesimal particles of volcanic debris that is dispersed in irregular patterns over most of North America. However, scientists who have studied previous major volcanic disturbances expect the eruption to have relatively little effect on the Earth's climate or weather patterns.

Samples of the cloud have not yet been examined, and scientists say they cannot predict what environmental effects may result from the many chemical substances contained in it.

Several of these substances contribute to the formation of acid rains, which have already become a major environmental problem in many areas, especially parts of North America. Some radioactive substances have also belched forth from the volcano, but most of them, such as some forms of radon, have relatively short radioactive lives.

Preliminary tests of the volcanic plume and of the vapors that are still issuing from the volcano mouth also indicate that there may be future problems. Scores of toxic chemicals are contained in the volcanic cloud, among them sulfur oxides, hydrogen sulfides, nitrogen oxides and carbon compounds.

Although the eruption produced a stratospheric cloud of volcanic dust and has been violent and deadly in its explosive activity, Mount St. Helens ranks well below many other similar volcanic actions. For example, the Krakatoa Island eruption in 1883 is estimated to have been 10 times as powerful as the largest hydrogen bomb exploded by the United States, and its cloud of dust circled the Earth for several years.

Scientists at the National Oceanic and Atmospheric Administration estimate that in the next several months the cloud will become homogenous, with a thickness of about two miles, and will cover the Northern Hemisphere in the stratosphere at an altitude of more than 55,000 feet for about two years.

Lester Machta, director of the administration's Air Resources Laboratories, said that until the results of cloud samples being collected by National Aeronautics and Space Administration aircraft were examined in the laboratory, it would be difficult to make definitive predictions of what impact the volcanic cloud would have on Earth.

"But from our studies of previous eruptions," he said, "we can make pretty good estimates of what effects this one will have. The big particles have already fallen and the slightly smaller ones will fall out in the next few weeks." He said the microscopic particles, less than a micron (one-millionth of a meter) in length, could stay in the stratosphere for months or years.

Mr. Machta noted that a slight cooling effect, probably up to a small fraction of a degree, could be produced as the tiny particles in the cloud reflected visible light back into space. But, compensating in part for this loss of heat, the particles would also reflect onto the Earth the invisible infrared rays that are normally radiated back into space.

National Oceanic and Atmospheric Administration scientists said that there should definitely be some spectacular sunsets and sunrises in the next year or two. The rosy and gaudy-hued sunsets are caused when the red rays from the sun strike the cloud particles and scatter the reddened solar beam toward the ground.

*House-Senate Conference*

# Tentative Accord Reached On Balanced U.S. Budget

*From Agency Dispatches*

WASHINGTON, May 21 — House and Senate negotiators reached tentative agreement today on a $613.3-billion balanced budget for 1981, but its outlay for defense left House Democratic members deeply split and chances for House approval doubtful.

House conferees accepted a Senate proposal that called for $153.7 billion for defense in fiscal 1981, which starts Oct. 1. The vote of House negotiators was 10-6, with five liberal and moderate Democrats and a conservative Republican casting the negative votes.

Last night, a tentative conference agreement on the budget appeared to have collapsed, threatening a serious disruption of the congressional budget process.

The understanding, worked out to break an earlier impasse, fell apart when five liberal House Democrats objected to the size of the proposed increase in defense spending.

The agreement would have raised military outlays from the House proposal of $147.9 billion to $154 billion, just $1.7 billion short of the Senate's original proposal of $155.7 billion. It would have made corresponding cuts in domestic programs, ranging from mass transit to public service jobs, and wiped out the House's proposed $2-billion surplus.

**'Giving Away the Store'**

"They were nickel-and-diming us on social programs and giving away the store on defense," complained Rep. William Brodhead, D-Mich., who was joined by Reps. Leon Panetta, D-Calif., Norman Mineta, D-Calif., Richard Gephardt, D-Mo., and Timothy Wirth, D-Colo., in blocking the agreement.

Sen. Ernest Hollings, D-S.C., the Senate Budget Committee chairman, laid the blame for the unraveling on the House liberals, who he said reneged on the package. Other sources said Rep. Panetta and Rep. Wirth first indicated they would go along with the proposal with misgivings but then, after a dinner break, re-emphasized their objections.

An agreement closely resembled an amendment to increase defense spending by $5.1 billion that was offered on the House floor by Reps. Marjorie Holt, R-Md., and Phil Gramm, D-Texas, last month and resoundingly defeated.

Earlier yesterday, Rep. Giaimo indicated that the House conferees would be willing to go as high as $153 billion for defense if they did not have to make more concessions on critical social programs. The Senate conferees pointed out that $154 billion for defense was their absolute minimum, even though it was far from the kind of 50-50 split that conferees frequently make.

**Testing the Senate**

Rep. Giaimo appeared ready to break off the conference and take the issue back to both houses if no agreement was reached today. Sources said that one course of action might be for the House to vote on its own final offer and then submit that version to the Senate, thereby testing whether Sen. Hollings and his conferees represent the real priorities of the Senate.

Conferees have had to go back for instructions on budget resolutions before, but not on such a deep split involving the heart of the measure. Such an impasse could compound the economic and political strains that already are threatening to foil a joint drive by President Carter and Congress for the first balanced budget in 12 years.

The deadlock began to take shape toward the end of a 13-hour session Monday, when the Senate conferees signaled they would not budge far from their original defense proposal. They came down on defense by $300 million, while the House group indicated willingness to add $4.1 billion to its defense proposal.

On domestic programs, according to Rep. Giaimo, the House came down $6.5 billion, while the Senate agreed to only a $2.8-billion increase from its figures.

## Quake Hits Yugoslavia

BELGRADE, May 21 (Reuters) — A strong earthquake shook an area in eastern Yugoslavia today that had been hit by a quake Sunday, officials said.

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*If Fo*

# nedy Asserts Economy ds a 'New Partnership'

RK, N.J., May 21 (LAT) — ng Franklin Roosevelt's l and John Kennedy's tier, Sen. Edward Kenne- ss., called yesterday for a nership" of U.S. business, l government that would her to revive the nation's dustrial might.

outh ation

ed president, Sen. Kenne- he would propose within 100 days of his inaugura- creation of an American ialization Corp. to help nd direct an overhaul of dustrial machine.

posed the plan to a group k supporters as he opened two weeks in his last-ditch upset President Carter for ocratic presidential nomi-

campaigned from New Jer- io, Sen. Kennedy insisted was not over, even though campaign is so confident ding out tentative peace in hopes of uniting the the fall campaign.

**Appeal for Funds**

ter dated last Thursday, in appealed to supporters for carry on the campaign, nedy noted that 696 dele- be chosen June 3 in eight cluding California, Ohio Jersey. Another 375 will at state conventions be- e 4 and the opening of the tic National Convention in k on Aug. 11 — 68 percent mber needed for nomina- letter said.

asis of Sen. Kennedy's rive is to pound away at er on the economy. In his address yesterday, he the administration for about a "deliberate reces-

led: "It is with a deepening pessimism, even fear, that iew the steadily worsening s of our economy — infla- tion that hovers at unprecedented peacetime levels, interest rates that have recently set the dream of home ownership beyond the reach of the average family, whole industries at the edge of bankruptcy or in the midst of decline . . ."

Sen. Kennedy put forth a vaguely sketched economic program that he said would rival the scope of the Marshall Plan in Europe after World War II and Roosevelt's New Deal recovery plan during the Depression.

The American Reindustrialization Corp., as envisioned by Sen. Kennedy, would be a quasi-public agency run by a combination of private and public board members. Funded both publicly and privately, the corporation would provide grants, loans, guarantees and interest subsidies to finance economic development.

**Reindustrialization**

"Our goal must be nothing less than the reindustrialization of America," Sen. Kennedy said. "We can plan coherently for the rapid modernization of the steel and auto industries and for the well-being of their workers in the meantime.

"We can reduce the plague of plant closings that threatens to turn industrial communities into ghost towns. We can secure for women a fuller role and a fairer share of our economy, tapping their talents and skills, guaranteeing them equal pay for work of comparable worth. And we can at last break the grip of the OPEC rulers on our economy."

U.S. dependence on oil from the Gulf region is so pervasive, Sen. Kennedy said, that it now even threatens to infringe on U.S. freedom of press and expression. That was a reference to Saudi Arabian attempts to limit the viewing of the program "Death of a Princess" last week.

"Until we end our oil dependence, America's economy cannot be truly free," he said.

# *neva Rated Highest in Europe City for Foreign Businessmen*

SSELS, May 21 (AP) — Geneva is the most desirable West an city for foreign businessmen to live in and Athens is the according to a recently published survey of corporate execu- titudes.

study also showed that Frankfurt is the most expensive place ompany to send an executive and that Dublin is the cheapest.

survey by Management Center Europe was based on business tatistics and interviews with executives of about 5,000 interna- corporations. MCE is the European branch of the American gement Association.

York was the only non-European city on the list.

irability was measured by questions on working conditions, standards, weather, ability to make friends with other foreign- d the local people, food, health, security, schools and cultural ies.

rankings, in terms of desirability, were: Geneva, Brussels, New York, London, Rome, Dublin, Vienna, Helsinki, The , Madrid, Frankfurt, Copenhagen, Oslo, Stockholm, Lisbon thens.

detailed explanations of the ratings were given, but the survey hat Athens was rated "bad" as a place for foreign businessmen et local residents, and its health standards and transportation ns were rated as "fair." Athens' only "excellent" rating was for ar-round weather for recreation. No other city received a rating in any category.

neva was rated "excellent" or "good" on all counts.




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INTERNATIONAL
Herald Tribune
Page 4 Thursday, May 22, 1980

# More Symbol Than Substance

Sometimes it seems there is no substance left in the Western arsenal, only symbols. In abandoning retroactive sanctions against Iran, the House of Commons' point may simply be that symbolic solidarity does not warrant fruitless sanctions. Life, after all, including trade with Iran, will go on long after the hostage crisis has ended. And almost no one believes economic sanctions will end it.

But leaving that aside for the moment, it seems worth noting that Britain's desertion from the weak but unified EEC sanctions front followed closely President Valery Giscard d'Estaing's solo exercise in East-West summitry, which even the French admit had little substantive value; the resignation of Secretary of State Cyrus Vance on a matter of principle (his inability to publicly support a presidential decision he did not agree with); Secretary of State Edmund Muskie's nonsubstantive meeting with Soviet Foreign Minister Andrei Gromyko; a cacophony of complaining and catcalling over the U.S. campaign for a largely symbolic boycott of the Moscow Olympics, and a series of ineffective embargoes aimed at getting the Soviet Union out of Afghanistan.

All of the substance seems to be coming from the enemy camp, and, to paraphrase Mao, most of it is flowing from the barrel of a gun. The Red Army is in Afghanistan. That's substance. More than 50 U.S. diplomats are prisoners in Iran. So is that. None of the alliance's symbolic gestures are likely to change either, which is not to say that symbols and gestures are necessarily meaningless. But to be effective they must be backed by substance. If they are backed by military capacity and demonstrable political will, they can function as deterrents to aggression. When both the capacity and the will are in doubt, as is the case now, alliances become fragile and adversaries are encouraged to press advantages wherever and whenever they find them.

The British House of Commons may have acted in recognition of one reality in limiting the sanctions, but in doing so, it undermined another that is far more important. For when narrow and minor economic interests are held more compelling than a solid front against an assault on diplomacy, which threatens all countries, and more important than an attack on the alliance member on whom the others depend for their security and ultimately freedom, the perception of weakness created is potentially disastrous.

INTERNATIONAL HERALD TRIBUNE.

# Quebecers Prefer Evolution

In rejecting Premier Rene Levesque's radical appeal for sovereignty, the people of Quebec have presented Canadian Prime Minister Pierre Elliott Trudeau with a formidable challenge and opportunity. He must meet their aspirations for greater political and cultural autonomy without severing the French-speaking province from the body of English-speaking Canada. The vote was overwhelmingly in favor of Claude Ryan's more moderate approach. About 60 percent of the electorate voted against giving Levesque authority to negotiate a sovereignty accord and an economic association with the rest of Canada. And surprisingly, half the French vote went to the federalists. About 20 percent of the Quebec population is English-speaking.

The great fear, of course, was that a Levesque victory would begin an irrevocable process ending in the disintegration of Canada. That prospect has been forestalled. It has not, however, been obliterated. Trudeau will now have to try to satisfy the demands of the French Quebecers without alienating Canadians in other provinces who are bound to resent any special treatment for Quebec, especially if it seems to be at their expense.

In the cultural area this should not be too difficult. Mainly it will consist of protecting the rights of the 20 percent who are native English-speakers. Politically and economically, Trudeau will have to find formulas that are acceptable to all Canadians and eventually modify the federal constitution. But if evolution is the price of avoiding secession, it is worth it.

INTERNATIONAL HERALD TRIBUNE.

# Bracing the Color Hierarchy

In the name of liberalization, South Africa has invented yet another color-coded political institution that is unlikely to do much for its vast black majority. Although it will have only an advisory role in the discussion of a new constitution, the new body, called the State President's Council, will include only whites, Indians and "colored" people of mixed ancestry. Blacks have been offered merely a separate Advisory Council, which may or may not also be consulted in political discussions.

The "multiracial" design of the new body and the offer of a secondary advisory group for blacks are supposed to be the progressive elements in this scheme. Yet it actually institutionalizes a hierarchy of color, with the obvious purpose of perpetuating white dominance.

The government's apparent elevation of Indians and coloreds seems primarily a continuation of the effort to divide the non-white populations. Unlike blacks, coloreds are already allowed to live in fairly close proximity to whites. Unlike blacks, they are not destined to be segregated in spurious tribal homelands. As a result, blacks and coloreds have rarely joined together to oppose apartheid. Indeed, many coloreds, who comprise 10 percent of the population, appear to feel that their interest lies in supporting the all-white government against the blacks. To be sure, the racial divisions have lately appeared less rigid; a recent student protest among the colored appealed for support from blacks, but without success.

The sad truth is that the new "reform" further confirms Prime Minister P.W. Botha's retreat from his early promises to bring South Africa's blacks to a position of greater economic and political influence. Without such an evolution, no peaceful development seems conceivable.

THE NEW YORK TIMES.

# Homegrown Mayhem in Miami

In those horrifying accounts of the hell that broke loose in Miami over the weekend there is much that is reminiscent of the upheavals that rocked American cities a dozen years ago. The temptation is to trot out many of the generalizations that issued then. But comprehensive explanations of such sudden and large social explosions cannot come easily. In Miami as elsewhere, local circumstances are critical — how explosive the spark, how dry the tinder, how far and fast and furious the chain reaction of violence before it finally ends.

Miami certainly had its own homegrown makings for racial mayhem, even without injecting the general anxiety among America's blacks about their lot in a time of recession. Many residents — not to speak of certain people who have been anointed "black leaders" — are saying now that they could sense violence brewing for months. Relations between police and blacks have been troubled: A string of incidents has fed feelings that brutality by white authorities goes unpunished while black officials get the book thrown at them for the slightest miscue. Unemployment among blacks is double what it is among whites, while a surge of Cuban and Haitian immigrants threatens to take many of the few jobs left and to divert government money and attention, both of which are in shortening supply.

Top all this with the acquittals by a somehow all-white jury of four white police officers accused of beating a black insurance executive to death. From there, it takes only a few violent actors and bursts of gunfire to make the tragic leap from property damage to personalized killing and racial warfare.

Reading too much more significance into this orgy of violence in Miami is not helpful. The aftermath will involve a stage of shock, a period of introspection and analysis and, surely, an attempt to heal wounds and rebuild. This will require all the sensitivity and sense of community that a scarred and fragmented city can muster. The riot in Miami has shaken people across the country; how the community responds now will be watched closely.

THE WASHINGTON POST.

## In the International Edition

### Seventy-Five Years Ago

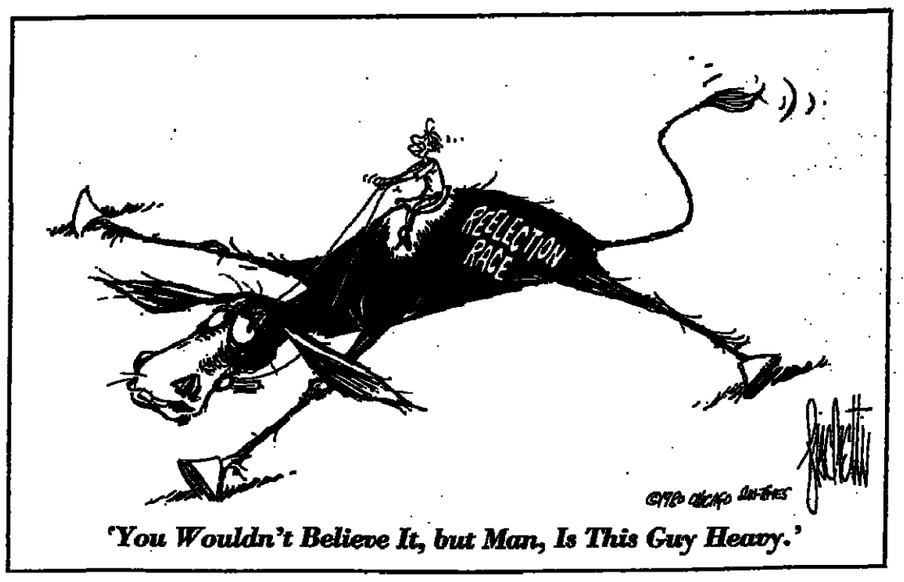
May 22, 1905

NEW YORK — The decision of the authorities in Washington to buy supplies for the Panama Canal in the cheapest market, regardless of the claims of protected home industries, has set the press of the entire country agog. The Herald concludes a long leader as follows: "In presence of this splendid object lesson the question inevitably arises, if it is a good thing for the government to thus avoid paying tariff tribute to the trusts and multimillionaire tariff beneficiaries, why would it not be a good thing for the people?" The Times says for its part: "In half a century of agitation the American people have never had so impressing and convincing a lesson in tariff reform."

### Fifty Years Ago

May 22, 1930

GENEVA — No progress can be made toward disarmament, according to the Inter-Parliamentary Union, until experts have determined just what the next war will be like. Virtual failure of almost every disarmament conference since the war has been due, the union insists, purely to the fact that neither the public nor the technical experts have had a clear conception of just what kind of war must be guarded against. Twenty experts have been asked to prepare reports on the likely characteristics of the next war, including whether mechanization of warfare, such as the use of tanks, long-distance guns, bombs, aerial and electric warfare, constitutes a decisive superiority for the aggressor.




*'You Wouldn't Believe It, but Man, Is This Guy Heavy.'*

# *A Long Drag of Empty Slogans*

By James Reston

WASHINGTON — "In my opinion," President Carter told his political aides here this week, "the issues (of the presidential election) have been thoroughly debated. There is no lack of knowledge among the American electorate about where I stand on any issue."

How's that again? What's that you're saying? No lack of knowledge among the American electorate about where Carter stands on any issue? George Orwell argued that the corruption of politics began with the corruption of the language, and Jimmy Carter is not alone in demonstrating the truth of this observation.

The central issue of this campaign for the nation is not who can win but who can organize an administration that can govern the country in the next four years — with more support of the Congress and more confidence among the people. That issue has not even been identified, except perhaps by John Anderson, who is pleading for a national unity movement, and it has certainly not been debated.

There are surely some questions. No doubt among the American people about where Carter stands on the economy? No doubt about his stands on the plight of the cities, the defense budget, immigration policy, the protection of the Gulf (and what to protect it with), prices, wages, teen-age unemployment, and his priorities for the '80s? His "stands" on all these issues have changed so many times that they are now more obscure than his falls.

### *Idle Words*

Words, however, have no meaning in political campaigns. Who knows what Ronald Reagan is saying about what he would do about any of the problems listed above, or Sen. Kennedy? After almost a year of this interminable campaign, no candidate has made a single memorable speech outlining his policies for the future.

The president is singled out here, primarily because he is the president and therefore is supposed to be the keeper of our standards, even the protector of our language, and has lately been making statements about Cy Vance, the Cuban refugees, and the "unity" of the allies that make you blink.

For example, in this same talk to his political staff here in Washington, Carter portrayed himself as a candidate who had succeeded "beyond even our fondest expectations," despite the "disadvantages" of being an incumbent president. Considering the obvious advantages of the prestige of his office, his power over the budget to reward his supporters and punish his opponents, this is a wholly new and bizarre idea.

In one paragraph he suggested that Kennedy had waged a campaign of "false promises," "empty slogans" and "distortions of the issues." In another he called on his supporters to extend "a healing and friendly hand" to his opponents, so as to unite the Democratic Party.

### *Each Audience*

"An incumbent president of this great country," Carter said, "cannot deal in empty slogans, cannot deal in words, cannot deal in false promises, cannot deal in distortions of issues . . . An incumbent can't yield to the particular pressure of a region or a local interest group . . . " But Carter can, and the interesting thing is that he probably believes he does no such thing.

How are we to explain this? First of all, it is in the tradition of old-time presidential campaigns that candidates can tell each particular audience what it wants to hear, without fear that their words would be reported to different audiences all over the nation.

Second, in these long campaigns, the candidates have to speak so often that they don't know what they think until they hear what they say, and are then often surprised and even resentful that a lot of reporters with tape recorders have been taking down their words and spreading them across the country.

Third, there is a theory among most candidates in this age of publicity that it's important to make headlines even if they don't make sense. In politics as in radio and television, the prevailing rule is that there must never be an instant of silence.

It should probably be noted that Reagan is in some ways an exception to this rule. He didn't survive all those years in Hollywood by improvising in the middle of every scene. He sticks to his script. He chooses his audiences carefully and convinces the convinced. He gives very few interviews and then usually to people on his side. In short, he has learned the lesson of the whale: You get harpooned only when you're spouting off up on the surface.

### *Not by Reason*

The other candidates, including Carter, believe that "news" is more important than opinion. Give me the front pages, Franklin Roosevelt argued, and I don't care what the newspapers say about me on the editorial pages. He was elected four times against the advice of most newspapers in his last three elections.

This is Anderson's problem. He's doing fairly well with the editorial writers, but not so well with the people who make up the front pages or select the items for the TV evening news.

Nobody paid much attention lately to the racial tensions in our cities, or to Fidel Castro in Cuba, or to our immigration policy, which has been out of control for years, until Miami blew up. The lesson is fairly clear: We are not moved by reason but by events.

This may change after the two parties finally pick their candidates in July and August. Then, maybe "the issues" will be thoroughly debated. Maybe the people will then pay attention (after the World Series), and we will find out who stands where. But don't bet on this idealistic theory of democracy.

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# Letters

## The Presidency

I have read your paper for the last month while in Europe and have been reminded often of the wonderful New York Herald Tribune which we tragically lost to union rapacity in 1965. One big difference — perhaps inevitable — is the way the president is treated.

I believe the New York Herald would long ago have stated the essential situation in the United States, to wit: Carter's mismanagement and weakness may very well have produced the most disastrous presidency of the 20th century. Most Europeans and many Americans are convinced of this.

ROBERT W. HARRINGTON.
Paris.

## Niklus Rearrested

IHT readers following the sad case of Mart Niklus, the Estonian dissident (IHT March 1-2, April 15) will be interested to know he was released from "administrative detention" on April 1. On April 6 he was taken to the hospital in Tartu with a recurrence of a muscular disease contracted in Soviet labor camps, where he served seven years. On April 28 militiamen forced him to leave the hospital. While on his way back for treatment the following day, he was arrested. His friends in the West have heard nothing of him since.

All told, some 20 Baltic activists have now been arrested since the end of February, mainly in Estonia. These arrests are among the final Soviet preparations for the Olympic sailing regatta scheduled for Tallinn on July 21.

LAWRENCE ELLIOTT.
Aix-en-Provence, France.

## A Step Backward

Like many Americans living abroad, I recently began to fill out my absentee-ballot application for November's election. Like many of us, I wondered why "they" had made it more complicated. Then I stopped short.

There, between questions about sex and marital status — on a form with a 1980 U.S. Government Printing Office copyright — glared the four-letter word *race*! Feeling as if I had suddenly awakened in a different era, I sat there and blinked.

Then, because (unless memory fails me) I remember no such question when I first registered to vote in 1961 in New York, I decided the problem was not time but *place*. Nothing else — not our inequitable taxation or our inadequate representation — has brought home to me so forcibly that we "expatriates" are indeed second-class citizens.

Incidentally, the box was so small I could barely squeeze in "Human."

SUSAN H. LLEWELLYN.
Dublin.

## Vance's Aversion

Vance's deepest error resides in his aversion to violence and bloodshed. Of course we are all adverse to them, but a civilization grown too soft to use force in the defense of its own citizens, regardless of the cost, will obviously not be around much longer.

Indeed, the rescue attempt was folly, but not for any of Vance's reasons. A much less risky, much more practical solution was at hand, and had been available for months: a declaration of war and the prompt internment of all Iranians, diplomats or otherwise, on U.S. territory.

W.F. SMYTH.
Colombo, Sri Lanka.

## Kenya Reappraised

Re your article on the Kenyan shortages (IHT, May 7): The view from the bar at the Nairobi Hilton is certainly a curious one. Such a superficial, condescending and, indeed, downright misleading article can hardly be called reporting.

Many view with misgivings the Unesco-supported drive for "Third World news agencies." But, we may well ask, are such bureaus likely to contrive more flimsy flapdoodle than that provided by The Los Angeles Times and the Trib?

STEWART A. SCHODER.
Abidjan, Ivory Coast.

## Two-Edged Publicity

There has been so much talk in the press about the film "Death of a Princess" that even if you didn't know what it was all about in the first place, interest is obviously aroused. The film has had about the best advance publicity since "Ben Hur." So will people like D. Morgado of Portugal and protective Al Goldman of Dublin (IHT Letters, May 20) please stop worrying about their true blue friend? After all, do we or don't we live in a free society?

PATRICIA TUVERI.
Paris.

# Sense of Forebodin
# In East Europe's A

By John Darnton

WARSAW — The Warsaw Pact leaders produced a headline-grabbing proposal for a world leadership conference last week, timed to commemorate the 25th anniversary of the Soviet-bloc military alliance. Communist governments love anniversaries, and this was no exception.

But behind the hoopla extolling 25 years of peace and security were signs of anxiety and discontent. Eastern Europeans have grown used to rising living standards, growing trade and cultural contact with the West, and they treasure the notion that things are gradually improving. Suddenly, these precepts seemed open to question.

Nothing so epitomized their mood as fears that detente is disappearing. "Some of the countries around us," a Yugoslav said, "have been hoping that they were moving to a kind of middle ground between East and West, combining the best of the two, the personal security of Socialism and, gradually, the personal freedoms of the Western democracies. Now they worry that they're getting the worst of both worlds, inflation from the West and, if detente goes down the drain, a Soviet-style repression."

The litany of Eastern Europe's economic problems is awesome. It includes declining growth rates, inflation, consumer shortages, uncertain and more-costly oil supplies, labor shortages, flagging productivity, and a staggering $50-billion debt to the West. The Vienna Institute for Comparative Economic Studies predicts that the six Soviet partners in Comecon, the Communist counterpart to the Common Market, will fall short of the growth rates envisioned in their 1976-to-1980 five-year plans, achieving 25 percent instead of the planned 40 percent. Leading the downturn is Poland with a negative growth rate last year for the first time since 1945.

### *Trade Deficit*

A major cause of economic stagnation is the rising cost of oil. The six countries obtain most of their supplies from the Soviet Union, which charges a "friendship" price. The cushioning effect diminishes each year, and when Moscow's partners exceed their quotas, as they often do, they are forced to buy on the spot market at world prices.

One result is an ever-widening trade deficit between Eastern Europe and the Soviet Union. Because the six pay Moscow with goods, they are less able to export to hard-currency Western countries for capital to repay their debts or to buy new technology to boost low productivity. Experts in Brussels predicted last month that the Soviet oil price would double over the next five years, to $30 a barrel f which could bring the econ most Eastern countries knees.

One difficulty is that th planners, accustomed to t years of the early '70s, see to adjust their thinking to rating conditions. Last yea viously shaping up as dis they proceeded as usual, out unrealistic growth targ presumption of normalcy hold good," notes a recent the United Nations E Commission for Europe.

Furthermore, the Co economies, under the um detente, have to some ext grated with the West. Eas rope's annual trade with now exceeds $35 billion, some countries represents 40 percent of the total. Th they must abandon the n they are insulated from th tions of the capitalist mar "We cannot hope," said J dar, the Hungarian Co leader, "to achieve inde from the world economy."

### *Afghan Shiver*

The new government o Babiuch in Poland has ser of a rise in consumer price ically explosive step that k when it was tried in 1976 slovakia is toying with m centives for factory worke creased decision-making gers, carefully circumscri not to alter the rigid structure. Only Hungary radical step, pressing ah plans to use free market raise productivity, efficien tionality. The first effect, has been whopping price i

A common thread to strategies is increased relia the West, chiefly for tech credit. This is one reason Afghanistan freeze has se shiver through Eastern When political relations d economic relations will s low suit. Also, in times of Moscow demands greater and orthodoxy.

Romania would pursue pendent policy at greater land would have to take line in dealing with dissid Germany would have to t about its growing bond Germany. Cultural and exchanges, freedom abroad, access to Weste films and ideas — all of w ern Europeans were rapid and even taking for g could be jeopardized. Wh at last week's Warsaw Pa there was a sense of fore the air.

*©1980, The New York Ti*

# Party Order Returns in Chi

By Ross Terrill

CAMBRIDGE, Mass. — The former Chinese leader Liu Shaoqi (formerly spelled Liu Shao-chi), purged as a "capitalist-roader" when he was a methodical Marxist administrator, has just been officially relabeled a "great Marxist revolutionary," as Peking seems to be swinging onto the capitalist road.

After Liu fell foul of Mao Tse-tung in 1967, the United States did not invite Liu to Washington, the way Mao invited Richard Nixon to Peking after Watergate, but now some policy-makers may regret the omission. "Liuism" is back.

Is capitalism, then, coming back in the world's biggest Communist land, where pro-Americanism is as compulsory as anti-Americanism used to be in Liu's day?

Liu never plotted to supplant Mao as Communist China's top figure. True, he took over from Mao as head of state in 1959, but that was because Mao (who stayed head of the party) was sulking in his tent, and sick of chitchat with ambassadors. The Mao-Liu split began at the time of de-Stalinization in Eastern Europe. Mao's response to the shock from Moscow — a decision to find a Chinese way to Socialism (the Great Leap Forward) even if it was not still a Marxist way — left Liu behind in dogged orthodoxy.

During the early 1960s, after the Great Leap Forward proved to be a nasty lurch sideways, Liu came into his own. His "How to Be a Good Communist," a very Confucian book about rules and good habits, sold 15 million copies between 1962 and 1966, eclipsing in that period the sales of work by Mao.

### *Fire and Water*

With Deputy Premier Deng Zi-aoping (who engineered this year's rescue of Liu), Liu led the consolidation that followed Mao's utopian lunge. "They treated me like a dead ancestor," Mao later complained. Soon Mao sprang back; as China cursed what it had adored, Liu lost office, reputation, health, family circle, and in 1969, almost mercifully, his life. But did the purge have anything to do with capitalism? And what is a China that rehabilitates Liu up to?

In outlook Mao and Liu differed as fire and water. Liu had less esteem for peasants than Mao did. He believed in party authority as a Roman Catholic does in the church, and was less keen on inviting the masses to criticize the party than Mao was. He lacked Mao's soil-deep nationalism, and he did not become obsessed with Soviet failings as Mao did. For Liu, history was an escalator; for Mao, it was a churning sea. For Liu, Socialism was a science, to be pursued by rational steps; for Mao, Socialism was a morality, not susceptible of being clinched in a final victory.

### *Orthodox Believer*

Yet these differences had not prevented the two men from working together for three decades with enormous success. The split came when Mao, starting in the late 1950s, transcended Marxism and gave up the idea of the party-as-church, leaving Liu behind as an orthodox believer.

Today, the grave, horse-like face of Liu reappears in Peking — as if Batista's photo were again to adorn Havana, or Trotsky's to pop up in Moscow. It's a much-needed triumph for Deng. And it's good that the Communist Party "rectified its own mistake," as Peking put it.

But can people believe in a government that honors Liu yet fails to say who destroyed Lin? (It was Mao, not his wife, Jiang Qing.) Deng and Hua Guofeng, the titular leader, cannot assail Mao, as Khrushchev did Stalin, because China does not have a Lenin to fall back on. The party needs Mao's authority even more than it needs to bury most of his policies. The truth changes, but curiously, the *source* of truth remains the same.

Liuism, not capitalism, is back. Order and incentives rather than spontaneity. A respect for expertise instead of a mindless clutching at political purity. More cult dom: Liu wanted only obedience, not their soul did. Communism seen as progress more than as in vation or shared rural pov

"Big movements aren from now on," Liu said revolution's victory was before Mao got rid of main thing is to concentr on economic construct the grave, he has won his

But Liuism without Li no hope for democracy or dom for the individual. In hai story of some years and Liu were each ask would you make a cat eat Mao replied: "You rub t thoroughly into the cat's When it burns, the cat will — and be happy that it is to do so." Liu replied: somebody to hold the cat pepper in its mouth, and down with a chopstick."

China, our new friend grip of a more orderly, authoritarianism — but i thoritarianism. Communi idea may be dying in Pe Communist Party is stronger.

*Ross Terrill is author, m ly, of "Mao: A Biography." this article for The New Yo*

*The International Her bune welcomes letters fr ers. Short letters have chance of being publishe ters are subject to con for space reasons. An letters will not be consi publication. Writers ma that their letters be sig with initials but preferen given to those fully sig bearing the writer's address. The Herald cannot acknowledge lett to the editor.*

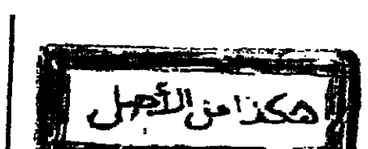
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Associated Press

**With the backdrop of a Cuban flag, Bishop Agustin Roman kisses Ibis Guerrero Hernandez during a funeral in Key West, Fla., for five members of her family. They were among 15 Cuban refugees to drown last Saturday when the boat carrying them capsized in the Straits of Florida.**

## Obituaries

# Renee Brasier, Guarded Herald Tribune Archives

PARIS, May 21 (IHT) — Renee Brasier, 81, former business manager and general manager of the New York Herald Tribune European Edition, the forerunner of the International Herald Tribune, died May 8 in Paris, her family has announced.

Miss Brasier joined the newspaper in 1920 and was appointed business manager in 1934. She was general manager from 1945 until her retirement, for health reasons, in 1947.

Remaining alone at the Herald Tribune's offices on the Rue de Berri during the German occupation of France in World War II, she preserved intact the paper's equipment and archives from 1941 until 1944. The Herald Tribune suspended publication in Paris on June 12, 1940.

She hid clippings, photos, bound volumes and administrative files. She also stockpiled several tons of printing materials, thereby permitting the U.S. Army newspaper, Stars and Stripes, to publish at the Herald Tribune plant shortly after the occupation ended. Four months later, on Dec. 22, 1944, the Herald Tribune resumed publication.

**Persuaded Germans**

At one point she persuaded the German command not to set up a military tribunal in the Herald Tribune offices. The equipment and files of other occupants of the Rue de Berri building also were preserved after they had fled before the German advance.

Miss Brasier was awarded the U.S. Medal of Freedom for her efforts in favor of the Stars and Stripes, being cited for exposing herself to "personal danger in order to procure metals, equipment and other materials and, through zeal, ingenuity and willingness to place her own funds at the newspaper's disposal, enabled the Stars and Stripes to serve the troops with a paper without delay . . .

She also was awarded the French Legion of Honor.

During World War I, Miss Brasier worked with the American Red Cross.

Mr. Browne established his reputation as a director in 1935 when he was invited to direct Eliot's "Murder in the Cathedral" at the Canterbury Cathedral Festival. Eliot regarded him as the only director to whom his plays could entrusted.

Mr. Browne was called on to stage other Eliot plays — "The Family Reunion," in 1939; "The Cocktail Party," in 1950, with simultaneous productions in New York and London; "The Confidential Clerk," at the Edinburgh Festival and on the London stage in 1953 and in New York in 1954, and "Elder Statesmen," in Edinburg and London in 1958.

**Hiroshi Inagaki**

TOKYO, May 21 (UPI) — Hiroshi Inagaki, 74, one of Japan's leading movie directors, died today. He won the Grand Prix at the Venice Film Festival in 1958 for "Muhomatsu No Issho," depicting the life of a rickshaw man and starring Toshiro Mifune.

**Mauro Reggiani**

MILAN, May 21 (AP) — Mauro Reggiani, 82, a painter who was one of the precursors of Italian abstract art, died Monday.

**Grayson Maynard Enlow**

MISSION, Kan., May 21 (AP) — Grayson Maynard Enlow, 63, the voice of Lamont Cranston, "The Shadow" on U.S. radio during the late 1940s and early 1950s, died Sunday. He was one of about 10 Shadows, the most notable being Orson Welles, who Mr. Enlow said was his idol.

**Fay Stender**

SAN FRANCISCO, May 21 (UPI) — Fay Stender, 48, a California activist attorney, died this week in Hong Kong, her family reported yesterday. Mrs. Stender had been confined to a wheelchair after being shot last year by a former prison inmate.

**Roger Lalouette**

PARIS, May 21 (Reuters) — Roger Lalouette, 76, a former French ambassador to Vietnam and Czechoslovakia, died Sunday, his family said today. Mr. Lalouette served as ambassador to Vietnam from 1958 to 1964 and to Czechoslovakia from 1964 to 1969.

## *Russian Tower World's Tallest — If It's Built*

MOSCOW, May 21 (AP) — Soviet architects have designed a tower a kilometer high — 3,281 feet — that would be the tallest man-made structure in the world, design officials said today. But the architects are still awaiting a go-ahead and a site.

A Moscow newspaper announced yesterday the development of the tower by a local steel construction institute. It would have a diameter of 32 feet at the base and 23 feet at the top, and would be designed to withstand strong winds.

The paper did not reveal the tower's purpose, but institute officials said today that the design had been ordered by the Soviet meteorological service for mounting weather instruments.

The world's tallest free-standing structure is the 1,822-foot CN Tower in Toronto. The Ostankino television tower in Moscow is 1,771 feet tall.

## Exiled Libyans Are Murdered in Rome, Athens

ROME, May 21 (AP) — Killers stalking exiled Libyans have claimed their seventh and eighth victims in Europe in two months — a Libyan-born, naturalized Tunisian lumber trader last night in Rome, and an opponent of Libyan leader Col. Moamer Qadhafi today in Athens.

The killers in Rome left a note signed by the "Libyan Revolutionary Committees in Rome," warning that "the enemies of the people will be reached wherever they are," authorities said. The victim, identified as Mohamed Fouad Buohjar, was found under his bed at a pension.

The Athens victim, who was not identified, was said by neighbors to be a critic of Col. Qadhafi.

Before the latest killings, three Libyans had been killed in Rome, two in London and one in Bonn since March 21. European sources familiar with Libyan affairs see the wave of killings as a reaction to opposition from wealthy Libyans who object to Col. Qadhafi's nationalization of the economy.

The murders have coincided with a crackdown against Libyan dissidents at home.

# Jammed Door Delays Start Of A-Plant Cleanup in U.S.

By Ben A. Franklin

MIDDLETOWN, Pa., May 21 (NYT) — Two men in heavy protective clothing failed to enter the highly radioactive containment dome of the crippled Three Mile Island nuclear reactor last night.

The first step toward a decontamination process that may require months or even years was blocked by a jammed airlock door.

The first human entry through the airlock of the nuclear plant's Unit 2 since the reactor went out of control 14 months ago was to have been a guarded, quarter-hour inspection visit.

Only a small area of the darkened interior, a section shielded from the partly melted reactor core by a concrete deck, was to have been seen by the two Metropolitan Edison Co. engineers, William Behrle 3d, 36, and Michael Benson, 27, both volunteers. Their assignment was to measure radiation levels inside the building, look for radioactive hot spots, take "swipes" of particulate matter on the containment walls and make a series of photographs with a special camera.

Mr. Behrle and Mr. Benson have worked for several years for Metropolitan Edison, which operates the nuclear plant, or for its parent company, General Public Utilities.

Both men, who wore self-contained breathing devices and multiple layers of protective clothing, had practiced for yesterday's assignment for weeks in Unit 1, the disabled reactor's twin, which is operable but has been ordered closed by the Nuclear Regulatory Commission because auxiliary equipment was being used in the cleanup.

Reporters were kept a half-mile from the plant at Metropolitan Edison's public observation post overlooking the Susquehanna River. Ten company and government nuclear officials were allowed into a cramped control area set up outside the 9-by-12-foot airlock tunnel.

The chief contaminants inside the containment building are the partly melted fuel rods of the core, several stories below the level involved yesterday, and about 700,000 gallons of radioactive water that spilled on the floor of the building during the accident.

**Other Concerns Raised**

MIDDLETOWN, Pa., May 21 (AP) — Officials said today that the attempt to enter the reactor building, barred by a possibly rusty door, raised concerns about other conditions inside the building, which has gone without maintenance since the accident.

"The door itself is not the problem; the problem is what it means about the condition of other equipment," said Robert Arnold, chief of recovery operations for Metropolitan Edison.

The chief concern is the operation of huge fans that keep the building at negative pressure. If they fail, officials said, it raises the possibility of uncontrolled radioactive leaks.

Mr. Arnold said it will be several days before Metropolitan Edison will be able to say when it expects to try again. He said the next attempt would probably be limited to fixing the door. The order to halt the project came at about 9:25 p.m., almost two-and-a-half hours after Mr. Behrle and Mr. Benson tried to open the door.

"We were shoving, more than anything else," Mr. Benson said. "With all the clothes we had on, the only place we had any leverage was our shoulders. The door didn't budge at all. It was like hitting a wall."

Earlier yesterday, in preparation for the entry, technicians completed a controlled, 25-hour release of a small amount of krypton gas from the airlock.

## Donkey Kills Its Owner

TEL AVIV, May 21 (AP) — A donkey bit his elderly master to death near Ramallah in the occupied West Bank, Israeli radio reported yesterday. Police believe that the man was trying to bridle the donkey when it broke free, pushed him to the ground and bit him to death.

## Ladbroke's Closes Last London Casino

LONDON, May 21 (Reuters) — Ladbroke's, one of Britain's biggest gambling groups, said yesterday that it was pulling out of the lucrative casino business and dropping its appeal against the loss of its gaming licenses.

Its last London casino, the Park Tower, closed yesterday. Three other Mayfair casinos that it had operated, the Hertford, Park Lane and Ladbroke Club, were shut after a court ruled that Ladbroke's was not fit to hold gaming licenses. Ladbroke's diversified only recently from betting shops into the casino market.

## Arrivals Not Considered Refugees

# . . . to View Cubans as Seeking Asylum

Robert Pear

GTON, May 21 (NYT) — House aide said yesterday he Cubans arriving in ld be treated as applisylum, not as refugees, the president greater y authority as to how be admitted to live per- the United States.

son Jr., special assistant t Carter for intergovernirs, said that the presinot use the emergency of the Refugee Act of mit the Cubans as refuesult, he said, Mr. Carter nsult Congress to deter- mber of Cubans to be

atson's comments repre- first authoritative state- Cubans' legal status as the administration. The he described would sig- imit the financial expo- federal government in t of the Cubans. As refu- would be legally entitled erous federally funded n they could claim as al- had applied for or ylum.

r, in ruling that the Cupplicants for asylum, the tion, in effect, creates a tegory for them with no limit. If the Cubans were refugees, the administrad have to count them h Indochinese refugees Jews under the ceiling of fugee admissions set in n with Congress. Alterder the new statute, the tion would have to conss to fix the number of o might be admitted as refugees beyond the overall limit of 230,700.

The new law prescribes elaborate procedures for consultations with Congress. For example, the administration would have had to submit "an analysis of the anticipated social, economic and demographic impact" of the Cubans' admission to the United States, as well as some estimate of the cost of resettlement.

**Other Country**

Mr. Watson said that the new Refugee Act "contemplates determination of refugee status in some country other than our own." Its procedures thus would be used if President Fidel Castro agreed to let the United States screen Cuban emigres in Cuba or Costa Rica. But the people traveling in boats directly from the port of Mariel to Key West, Fla., are not refugees, Mr. Watson said.

More than 62,000 Cubans have arrived in the United States since April 21, including nearly 4,400 yesterday. About 23,000, most of them with relatives in the United States, have already been resettled.

Mr. Watson said that the administration had chosen Fort McCoy, an Army installation in Wisconsin, as the next site to be used for processing the Cubans. Eglin Air Force Base in the Florida panhandle and Fort Chaffee in Arkansas are nearly at capacity, having received 10,000 and 19,000 Cubans, respectively. Fort Indiantown Gap in Pennsylvania, with a capacity of 20,000, began receiving Cubans this week.

Applications for asylum from Cubans and Haitians would be treated similarly and reviewed on a case-by-case basis, Mr. Watson said. However, he acknowledged that there would be so many applications that the administration might have to ask Congress for special legislation.

Although the administration contends that the Cubans and Haitians are being treated the same, the government is trying to expel many of the Haitians on the ground that they left their homeland for economic rather than political reasons. Also, the United States has a 20-year history of special programs for receiving Cubans.

Under the new law, people who are defined as refugees, after living in the United States for a year, may become permanent residents, the first step toward citizenship. People granted asylum may stay indefinitely in that status, Mr. Watson said, and under the law, 5,000 a year may become permanent residents.

# ge in U.S. Rules Army not Bar Homosexuals

UKEE, May 21 (UPI) — strict Court judge struck rday an Army regulation homosexual conduct by d banned punitive dis- less the Army first proves l preference hinders perof military duties.

ng by Judge Terrance Evrdered the reinstatement Ben-Shalom, 32, who rged from the 84th Army. it in Milwaukee in 1976, ear after she announced as a lesbian.

ge noted that while the s unclear on whether pri- conduct is protected by o privacy, "the court bet constitutional privacy clearly protect one's sexences, in and of themm governmental regula-

vans said the Army regunning homosexual conduct s violated the First, Fifth amendments to the Con- He said the Army must a person's sexual prefer- is his or her duties as a fore it can order a dis-

hington, Lt. Col. Charles n Army spokesman, said were aware of the ruling. consider the implications, hen we have a chance to decision," he said.

cstatic," said Ms. Benwho was a sergeant and d in the reserves for about rs. "It's a landmark case verywhere, affirming they rights too."

She said that she would apply for reinstatement immediately. "I was very good at my job and I never bothered anyone," she said.

The judge said the evidence was overwhelming that Ms. Ben-Shalom was not only suitable but an exemplary soldier. The Army offered no evidence that she had engaged in homosexual acts or made sexual advances toward female soldiers.

The regulation in question permits discharge of any soldier "who evidences homosexual tendencies, desires or interests." Under the regulation, Judge Evans said, no soldier would want to be caught reading anything construed as homosexual-oriented, be in the company of a homosexual or say anything supportive of homosexuals.

## Yield New Data turn's Rotation

INGTON, May 21 (AP) — studying data from the l and Voyager 2 spacecraft overed that the planet Saotating about 25 minutes an they thought.

ata shows Saturn making ntion every 10 hours, 39.9 The old estimate, calculat- Earth-based observations, ours, 15 minutes.

## *China Reported To Launch a 2d ICBM in Pacific*

PEKING, May 21 (UPI) — China carried out its second successful test of a long-range missile today, Peking diplomatic sources said.

They said that the intercontinental ballistic missile splashed down on target in a South Pacific triangle roughly bounded by the Solomons, Fiji and Gilbert Islands after launching from an undisclosed base in China.

There was no immediate confirmation from the Chinese government.

The first in the current series of ICBM tests took place Sunday. Japanese military sources said that the rocket traveled about 7,456 miles. They described the ICBM fired Sunday as capable of carrying a nuclear warhead and reaching Moscow or the West Coast of the United States.

Details on the military capability of the ICBM came from the Japanese, who called it a military step forward but added that China's rocket capability was still far behind that of the Soviet Union and the United States.


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INTERNATIONAL
Herald Tribune
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# Asian Nightmare, American Dream — The Long Ordeal of the Refugees

By Iain Guest

GENEVA (IHT) — Travis Air Force Base, near San Francisco, used to be one of the points of departure for U.S. troops in Vietnam. Today, it has a different function — it is a haven for many of the victims of the turmoil in Indochina who have been accepted for resettlement in the United States. Many have dubbed the base the Ellis Island of the West Coast.

There is relief on the faces that land at Travis. Behind them stretches a grim trail that began in the embattled countries of Cambodia, Laos and Vietnam and continued through months, sometimes years, in crowded, unsanitary refugee camps. For many, this came on top of harsh treatment in Vietnamese and Laotian re-education camps, or rape by pirates in the Gulf of Thailand.

It is an immense drama that arches across continents, and few of those involved are left unmoved.

Refugees look back on it as a time of hardship, boredom and helplessness. "As a refugee, you have no rights; once you take the decision to flee, your life is in the hands of others," said Southakone Khamvong, 32, who fled Laos in 1976 and is now settled in Oakland, Calif.

For the Office of the United Nations High Commissioner for Refugees (UNHCR), which spent $83 million last year in Indochina (56 percent of its total budget), there is a constant battle to improve conditions in the camps and keep public opinion alert to what remains one of the world's major refugee crises. In the first three months of this year, 22,961 refugees fled from Indochina and were registered by UNHCR.

For the Intergovernmental Commission for European Migration (ICEM), a Geneva-based agency that transports the refugees to their final destination, it is one of the largest peaceful movements of people since World War II. So far, ICEM has shepherded 363,000 Indochinese refugees to new homes. Since President Carter announced that the United States would accept 14,000 a month after last July's Geneva conference on refugees, 99,276 Indochinese refugees have gone to the United States.

## Political Game

To diplomats and politicians, the refugees are part of the complex political game being played out in the aftermath of the Vietnam War. For the Vietnamese government, the exodus may offer the answer to famine, overpopulation or trouble from an ethnic Chinese minority that heeds Peking more than Hanoi. To the Americans and their allies in the Association of Southeast Asian Nations (ASEAN), it is a stick with which to beat Vietnam, and by extension the Soviet Union, for the Vietnamese invasion of Cambodia.

Finally, for many resettlement workers in the United States, the refugees are a source of growing concern. They worry that the United States is bringing in too many Indochinese too fast, creating ghettos, putting pressure on jobs at a time of recession and causing the refugees themselves a huge culture shock.

What makes a refugee give up everything he knows and seek a new life? Irrespective of the country, the reasons are strikingly similar:

- Retaliation: Ke Ming Chanh, 39, spent four years in a Vietnamese re-education camp for serving in the South Vietnamese Army. "It was very severe," he recalled in a camp in Kuala Lumpur. "People were tortured for refusing to take lessons by being locked in a steel box without ventilation for weeks. Many died."
- Famine: Refugees report harvest failures in Vietnam, while hundreds of thousands of Cambodians have been pushed up to the border with Thailand, where desperate efforts are under way by the Red Cross and United Nations Children's Fund to get seedlings into the country in time for the next harvest.

Liv Noun, who walked from her village in Battambang Province to collect 20 kilograms of rice at the Thai border camp of Nong Chan, confirms reports that the regime in Phnom Penh has strictly rationed what little rice is being produced in the villages. Like other refugees, she talks of receiving only 500 grams a month.

- Austerity: This has been defended by the Vietnamese government, which has proclaimed the need for belt-tightening after the war, particularly as Vietnam has been denied substantial assistance from outside the Communist bloc.

But refugees say that this extends to withholding permission to practice a profession, and paying absurdly low salaries to teachers, doctors and junior civil servants. A nurse, who escaped by boat and landed at Singapore, said she was paid $3 a month — "simply not enough to live on."

- Ethnic problems: Since the U.S. withdrawal, the Communist regime of Laos has harassed the Laotian hill tribes of Hmong and Yao, who were among the most loyal allies of the United States. Last year, the Vietnamese expelled large numbers of its ethnic Chinese minority by boat, prompting the Geneva conference last July.

Ethnic expulsions have ceased, following Vietnam's promise to impose a moratorium. But many refugees still complain about discrimination against the Chinese.

A final reason for leaving is what diplomats refer to as "the pull factor" — Western broadcasts and letters from relatives that often paint an unrealistic picture of Western generosity, conditions in the refugee camps and the hazards facing those who flee.

## Diplomats' Warning

Western diplomats expect a steady trickle of boat people to leave Vietnam as long as there are broken families and discontent with Vietnam's policies. But they feel that another major exodus is unlikely as long as Vietnam abides by the moratorium. The number of boat people who left Vietnam in March was 5,342, compared to 13,423 who left in the same month last year.

Vietnam is also thought unlikely to expel large numbers as long there is a chance of them leaving by plane at international expense under the "orderly departure" program, signed between UNHCR and Vietnam last May and reaffirmed at the Geneva conference.

Although UNHCR officials had hoped that thousands would be able to take advantage of the program, it has been stalled since December because Vietnam and the United States have presented different lists of names. While Washington is prepared to admit persons with relatives in the United States or who had close connections with the U.S. administration in South Vietnam, the Vietnamese have presented lists of exclusively Chinese names, adding to suspicions that they are trying to unload their Chinese minority.

In addition, the United States has insisted on being able to screen would-be emigres before they leave Vietnam. But the Vietnamese have turned this down, apparently angered at the U.S. refusal to normalize diplomatic relations.

Diplomats in Bangkok see a breakthrough following Vietnam's recent presentation of a list of 1,500 names, together with contacts in the United States, that are acceptable to Washington.

The moment a refugee leaves his home, the welcome he will receive when he first seeks asylum and the conditions in the camps where he is put will hinge on the willingness of Western countries to offer him a permanent home — a fact of political life that initially angered Western diplomats, but to which they are now resigned.

Since the Geneva conference, the refugees have been moved out at roughly three times the rate of arrival. In the first three months of this year, 79,500 were resettled, compared to the 22,961 who fled.

As a result, refugees are not being turned away. Nonetheless, many officials in the governments of first asylum are still eager to deter them if possible, making the first taste of freedom far from sweet.

Those who cross the Mekong River from Vientiane, the capital of Laos, into Thailand are put into a small detention center in the town of Nong Khai before being sent to a nearby camp administered by UNHCR. The center is an acre square, with tall, corrugated-iron walls topped with barbed wire. It was built for 250 people, but three months ago held as many as 5,000. Atrocious sanitation has led to several cases of cholera.

Since January, refugees who have fled to Thailand's eastern border with Cambodia have not even been able to enter Thailand, but forced to stay in temporary shelters along the border.

## Valuables Taken

The boat people's first experience of Malaysia is likely to be arrest by a village militia. They are then taken over by the police, who, according to Western diplomats in Kuala Lumpur, relieve them of gold and valuables, which are rarely returned. They then proceed to three camps, of which the biggest is Pulau Bidong, a tiny island off the state of Trengganu. There they stay until called for resettlement.

The welcome by Thailand and Malaysia is certainly less unfriendly than last year, when the Thais repatriated 45,000 to Cambodia and the Malaysians towed 40,000 boat people back out to sea. But the attitude of the two governments is still wary, and the refugees are pointedly referred to as illegal immigrants.

In the case of Thailand, which has been taking in Indochinese refugees since the battle of Dien Bien Phu in 1954, the concern is of being swamped by far greater numbers of Khmer than the West would be prepared to accept for resettlement. The new premier, Gen. Prem Tinsulanond, is encouraging talk of repatriation to both Laos and Cambodia.

Officials in the government hope that the coming monsoons will force many Khmer back into Cambodia. But this will still leave, by some estimates, at least 200,000 refugees in holding camps who would not want to return under the current regime in Phnom Penh, leaving two unpalatable options: forcible repatriation, which diplomats fear would be a nightmare, or what is already being referred to as the "Palestinization" of the camps.

Caught in this dilemma, the Thais have pushed for an international conference on Cambodia, which is provisionally scheduled to begin at the end of this month. But few diplomats give it a chance of much success as long as the Vietnamese are opposed.



Laotians wait to be interviewed by representatives of U.S. voluntary agencies at the Thai border transit camp at Nong

The ASEAN governments — Indonesia, Malaysia, Thailand, the Philippines and Singapore — are also cool to the refugees because of suspicions about China. Singapore and Indonesia feel that China has never given up its hope of local Communist parties gaining power and might try to appeal to the refugees.

Malaysia's minister of home affairs, Ghazali Shafie, remains concerned that the country's racial balance of Chinese and Malays could be altered unless the refugees, largely of Chinese origin, are isolated and moved on quickly.

Inside UN-administered camps, conditions vary enormously. In the northern Indonesian islands of the Anambas, camps are still rudimentary. In Hong Kong, refugees can use electric rice cookers and receive good medical treatment. Malaysia's Pulau Bidong, which used to be foul, is much improved.

The key element is the speed with which refugees are moved. Long delays — Laotians have been in camps for more than five years — can cause profound depression, although almost no suicides have been recorded.

## Stuck on an Island

"Can you imagine what it's like to be on this island, and never get off, for 15 months?" asked Ly Hue Trinh, 25, who arrived on Pulau Bidong on Nov. 23, 1978, but does not have close enough ties in the United States to get out.

Despite such cases, the increasing speed of departure has meant that Pulau Bidong's population is down from 45,000 to 11,000. Throughout most camps, the story is the same: Morale is rising because of the numbers leaving and improved conditions.

Where do the hitches occur in the resettlement process? A major one is political. Victor Palmieri, Carter's new coordinator for refugee affairs, argues that speedy resettlement of the refugees is essential for the security of the ASEAN members. But this has rebounded badly on the British colony of Hong Kong, which is not part of ASEAN and has a refugee population of 44,000 — double that of Malaysia.

Another notable delay in the resettlement process has occurred at the Bataan processing center in the Philippines, where a squabble over construction costs between UNHCR and the government is continuing.

Resettlement in the United States is handled by nine voluntary agencies under contract to the U.S. government. All nine are coordinated in New York, and also in the countries of first asylum, where agency teams take preliminary details of the refugees in the camps. These are then sent to the United States, where efforts are made to find sponsoring families to help the refugees get accommodations, work, and adjust to the new life.

At the same time, the U.S. Immigration and Naturalization Service sends teams to the camps to conduct interviews. "Generally, with the increased quota, they turn down very few" said Gary Shearer, a volunteer from Iowa working at Nong Khai.

About 3 percent, he estimates, are turned down; they will take their chances with other countries.

Once accepted, the refugees are taken over by ICEM, which conducts medical checkups and arranges for transport to transit camps before departure. Plane tickets are booked, emigration papers arranged, photographs taken.

## Abrupt Contrast

Culture shock for most refugees begins in the airplane that whisks them in less than 24 hours to the United States — an abrupt contrast to the tortuously slow progress in and out of the camps.

Once at the Travis base, the refugees are checked through customs (and quietly relieved of antibiotics and hard drugs), then taken to an ICEM center at nearby Hamilton Air Force Base for new clothes and a night's rest before moving on to meet the family and agency that have agreed to sponsor them.

Although churches still call on congregations to offer homes, most sponsorships are arranged by the agencies themselves. All the indications are that they are hard pressed to find accommodations, and, more important, jobs.

The refugee's dream, nurtured through years in the camps, now becomes a reality. But officials involved in the U.S. program are well aware that his problems are just beginning — and that ahead lies a momentous change of lifestyle and years of adjustment.

"Anyone entering a new country is up against it," said Judith Webb, a U.S. official in Bangkok. "These people think they've suffered such trauma that it's all over when they reach the United States. But, of course, it isn't."

Despite the large numbers now entering the United States, since Carter increased the U.S. quota to 14,000 a month, almost no effort is made to prepare the refugees for their new life, and many officials are concerned that today's refugees will be condemned to welfare and life in a ghetto.

"We may be helping our allies in Al
moving them out fast, but we're almos
building up trouble for ourselves and
gees," said a relief worker in San Fra
pointed out that while the refugees
Saigon in 1975 were well-educated
speaking and familiar with city life, t
wave includes subsistence farmers f
and Vietnam who are often illiterate.

"They are used to a totally differen
the relief worker said. "The problems
ment are that much greater. The L
tribes practice polygamy and have n
seen Western basics like telephones
airplanes."

Initially, after 1975, the agencies
spread the refugees evenly throug
states, but the refugees have since co
in states like California, Texas and W
partly because of the mild weather an
be near other pockets of Indochinese.

## Good Adjustment

Those in the 1975 wave of Vietna
adjusted remarkably well. A recent
35,000 by the U.S. government four
percent were employed and that more
earned more than $800 a month.

With unemployment in the United
creasing, several commentators have
cern about competition for jobs. This
as a major problem, because the I
appear to be taking lower-paid servic
ticularly in the hotel industry. More
the apparent lack of any overall, u
ployment policy among the sponsorin

Some encourage the refugees to s
fare for as long as they want. "It
recover from the trauma," said Jane
of the International Institute of the E
Oakland, which has sponsored one of
concentrations of Yao tribesmen in t
She said that they can use the time to
lish and avoid going into a pool of ch

But other sponsoring agencies tak
site approach, and urge the refugees t
— any job — to avoid going on wel
fare saps morale and creates ghetto
official in the International Rescue
in San Francisco.

Many feel that the lack of a cen
calls for a stepped-up involvement by
al government and perhaps even a da
program, like the Veterans Administ
this is ruled out by Palmieri, the U.S.
tor for refugee affairs. In an interview
ed out that huge costs would be im
time when the federal government
blamed for fueling inflation. He a
there would almost certainly be pr
black leaders if the Indochinese were
for special treatment.

"Every wave of refugees has
problems," he said. "Like so many o
groups, the older people will never
English. They will always be a little
the clash between the society they
society they live in. But the children
along very fast. They will succeed in
they will make it.

"The only thing to remember is th
them to compare it with what the
from, and it's heaven compared to hel

Perhaps. But for the first generat
day's refugees to pass through their
comprehending and isolated is surely
to the drama that begin so far away
of Laos or Vietnam.



Shacks line beach at the island camp of Pulau Bidong, Malaysia, one of the packed refugee centers that dot Southeast Asia.

Iain Guest

# *Sharing the Cost of NATO Defense: Why Are the Figures So Unequal?*

By Michael Getler

WASHINGTON (WP) — When Uncle Sam reaches into the pockets of taxpayers to help to pay the cost of defense each year, he extracts about $520 for every man, woman and child in the United States.

But in Canada the government spends only $157 per person on defense. In Denmark, another NATO member with one of the world's highest living standards, the per capita defense expenditure is $303. In Britain, it is $314 per capita. In Japan, it is $87.

Why is the expense of defense shared so unequally among the allies? The answer is complicated.

The crises in Iran and Afghanistan and the question of how to deal with them have heightened tensions between the United States and many of its allies, and have given rise to the notion that allies are shirking their common defense duties.

Statistics, however, do not tell the whole story. Nor do they necessarily lead to the conclusion that all the allies are shirking.

## Benefits of Draft

Ending military conscription in the United States and substituting a much higher paid all-volunteer force has helped to boost the Pentagon's manpower costs to 54 percent of this year's proposed $142.7-billion outlay for defense.

But aside from the United States, Britain and Canada, the major European allies — West Germany, France, Italy, the Netherlands, Belgium, Turkey, Greece, Portugal, Norway and Denmark — continue to rely on a draft to fill the ranks.

This allows some countries, such as France, to field sizable ground armies with less of a dent in their overall budget, and allows others, such as Turkey, to field much larger armies than they could otherwise afford.

Similarly, only Britain and France among the U.S. allies have nuclear weapons. The other allies do not have to pay for a vast array of missiles, for submarines and bombers to deliver them or for the research needed to develop new ones.

Given the size and resources of the United States and the overwhelming position of strength with which it emerged from World War II, the United States also has been the only individual counterweight to the Soviet Union and thus the only country that has, for the past 35 years, retained an ability to intervene militarily almost anywhere in the world, something that also costs money.

## Where They Stand

According to the latest NATO statistics, the major European military powers — Britain, France and West Germany — come closest to the United States in relative defense spending when measured as a percentage of gross domestic product.

In 1979, the United States spent an estimated 5.2 percent of its GDP on defense. Britain spent 4.9 percent, France 4.0 percent and West Germany either 3.3 or 4.1 percent, depending on whether expenses for West Berlin are counted.

Of the smaller countries, Portugal led with 3.8 percent of GDP, with Belgium and the Netherlands at 3.3 percent, Norway at 3.2 percent, Italy at 2.3 percent and Luxembourg at 1 percent.

No 1979 NATO statistics are available for Greece and Turkey, two relatively poor countries with serious problems of their own. The International Institute for Strategic Studies in London estimates that Greece and Turkey spend more than 4 percent of their GDP on defense, largely to combat each other's forces.

Of the major countries in NATO, Canada is, by any measure, the clearest laggard — spending only 1.8 percent of its GDP, according to NATO, and $157 per head, according to the International Institute for Strategic Studies.

The lack of a greater Canadian contribution is felt in other ways, because many military leaders say privately that the 3,000-man Canadian brigade based in Europe is, man for man, the best fighting unit on the continent.

## De Facto Member

In dollars spent per person on defense, the International Institute estimates that in 1979 the West Germans paid $396, the Belgians $363, the French $349, the Norwegians $347, the Dutch $338, the Danes $303 and the Italians $124.

Although Japan is not a member of NATO, Tokyo clearly is part of a Western alliance. It also is the major industrial power whose economy and people have benefited most from being virtually free of the burdens of nonproductive defense spending in the postwar era while benefiting from the protective power of the United States.

While the United States turned West Germany into a major military power, it never pushed Japan in that direction.

Japan, according to the International Institute, spends 0.9 percent of its GDP on defense, equal to about $87 for each of the 116 million or so Japanese.

But Japan also provides a good example of the need to look beyond statistics to understand the potentially volatile question of who is and is not carrying his share of the lead.

Because of Japan's huge gross national product — $1.1 trillion in 1979 — the $10 billion spent on defense last year makes Tokyo the eighth largest defense spender in the world, according to the institute, behind the Soviet Union, the United States, China, West Germany, France, Britain and Saudi Arabia.

While virtually all U.S. specialists in the field believe that Japan needs to spend more, many argue that attention should be focused more on how a country spends its defense dollars, in terms of its effectiveness and contribution to joint defense, and less on the percent of GDP figures.

While the U.S. 7th Fleet in the Pacific has been put under great strain by the Indian Ocean crises and has declined in strength, the Japanese Navy has taken on added importance.

Japan has 45 destroyers in Asia, triple the number of comparable U.S. ships. It has more submarines than the United States in the region, a large fleet of patrol planes and the world's second largest fleet of minesweepers — next to that of the Russians.

Japan's Constitution, molded by the postwar U.S. occupiers, contains a "no war" clause. But this has been interpreted more liberally over the years to a point where Japan's "self-defense force" numbers about 250,000 personnel, including a 155,000-man army. It is land forces, however, that are most expensive, and Japan's land forces are least likely to expand, because of the undoubted concern in China or Korea if they did so. Thus, no big percentage increase in spending is likely to show up.

## Political Factor

While the Carter administration is leaning heavily on Japan to increase its defense contribution, specialists believe that it is with the air force and navy that Japan could play the most effective role. The White House hopes that Japan will boost its defense share of GDP to more than 1 percent in the next few years. But the government of Premier Masayoshi Ohira fell last week, in part over his acquiescence to U.S. pressure.

Specialists say that Japan has increased its defense spending over the past 10 years by almost 8 percent annually, but wide fluctuations in the dollar-yen exchange rate and in inflation make statistical comparisons difficult.

In recent years — and especially since the Afghan crisis — as the Carter administration has done something of a turnaround on the need for greater defense preparedness in view of the Soviet buildup, the United States has leaned hard on the European allies to increase their military spending in real terms — that is, beyond inflation — in the region of 3 percent annually.

The administration has had some, but not complete, success in this campaign.

Last year, the United States, Belgium, France, the Netherlands, Norway, Portugal and Britain met that goal. This year, West Germany has said it will make it, as will France, Britain and the United States. Italy, striving to play a larger role in big-power politics and to be cooperative in defense undertakings, may also make it.

## Borderline Cases

Denmark is the biggest problem. The other smaller countries, however, are all borderline cases. In these countries the problem has always been a feeling within the population that war in Europe is highly unlikely and that, if it comes, the contribution of the Netherlands or Denmark might make Western defense against the Warsaw Pact last only a day or two longer than it could without them.

The United States sharply rejects such thinking, because it is also used by smaller countries to avoid paying their share of common defense program. The Belgian refusal thus far to join in paying for the fleet of airborne early warning radar planes is an example irritating Washington.

The sudden involvement of the United States in the Gulf, however, has demonstrated dramatically that the arguments could be changing: that U.S. forces aimed for 30 years at reinforcing Europe and Asia may not all be there in the future, and that other countries had better think more seriously about providing more
own defense and about helping th
States elsewhere.

The West Germans, French and
ready provide the bulk of the air a
forces defending Europe, but the Un
wants the Europeans to beef up their
piles of the latest ammunition, to in
ability to airlift U.S. troops in an
and to get their own reserves in shape.

Bonn's 495,000-man armed forces
largest and best equipped fighting
Western Europe. It is being moder
1,800 new tanks and scores of planes.

Although de Gaulle withdrew Fren
forces from NATO in 1966, Franc
within the political alliance, and it is
sumed that French troops would join
other allies in an emergency.

France maintains slightly more tha
men under arms, and its arsenal o
tipped missiles, bombers and submari
it the world's third-largest atomic pow
also has shown itself willing to us
forces to intervene in Africa. The Un
has backed away from that, while pri
porting the French efforts.

Britain, whose 323,000-man milit
tionally has been the best trained
equipped force in NATO, is moving t
defense spending substantially. A def
paper published last month forecasts
crease of 3.5 percent next year, inclu
etization of Britain's four nuclear mi
submarines.

While Soviet military spend
outstripped that of the United States
years and is responsible for the new
increase Western preparedness, the P
statistics show that military spending f
exceeded that of the six-nation Warsa
the 1970s — and, if the goal of 3-pe
growth is met, is projected to stay ahea

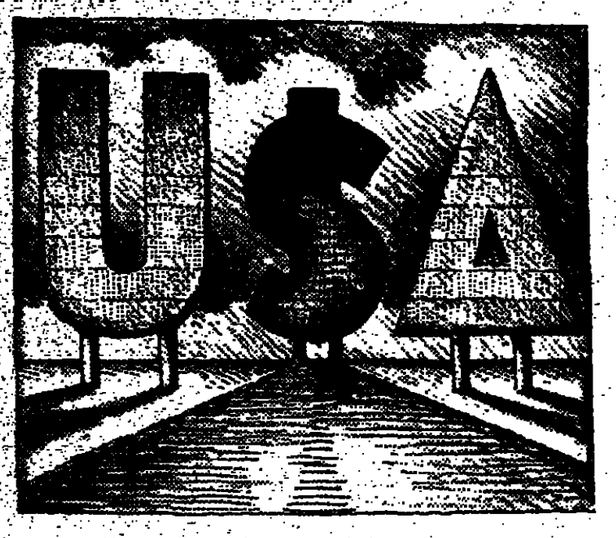
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# Finance and Investment

# In the United States

INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post
PARIS, MAY, 1980




## ...Y. Money Mart ...een Weakening

By Stan Strachan

...YORK (IHT) — In the ...ke of the sharp spring drop ...term interest rates in the ...tates, the question that still ...ver investment companies ... clients smarting from the ...nd winter race to the 20 ...level is whether there has ...manent damage to the cap... ...ng mechanisms, which ...rld War II have been the ... efficient and least costly in the ...

### Good ...

...es rates moved to their ...ghs in response to the cred... ...ing actions of the Federal ... Board, the flight from ... that accompanied their price ... raised the possibility that ...e amounts of long-term ...hat corporations and gov... ...s around the globe had ... on finding in New York ... longer be available.

...month's rally put the issue ...et reliability on the back ...or a time. But the fact re... ...at at the low point — with ...lling off as much as four of ...ts in a single day — dealers ...t impossible to complete ...or as little as $5 million in ... securities.

...orporate borrowers, willing ...he burdensome costs being ...n the market, still found it ...le to bring a sizable issue ...et.

### ...Rate Structure

...breakdown in the gigantic ...ork market mechanism was ...ed and never did reach the ...at some capital-raising facil... ...e suffered in past inflation... ...als.

...ome participants are wor... ...t once the U.S. economy ... emerge from the recession, ... structure could move up ...ore to levels that could ... the market's viability.

... signs that the cracks that ...d in the market during the ... spiral in rates still are tak... ...r toll have been apparent in ...r unwillingness of major in... ...t banking houses to take ...able positions that in past ...ave meant big trading prof...

... in the "swinging" market ...tgage securities which have ...olatile for several years, the ...houses have refrained from ...sizable long positions, con... ... see the changing market ...em with their underwriting ... an even trading position.

...aler for one giant brokerage ... which was well-protected ...highly profitable) with short ...g all through the price de... ...oted recently that the firm's ...ist had predicted the mar... ...rnaround "right on target."

Yet "we took maybe a $5 million position or two," a far cry from the $50-$100 million positions this same trader would have built a year or two ago in anticipation of a major bull market.

The immediate outlook for long-term rates in the United States is not nearly as sanguine as the sharp drop in short rates would suggest. While Treasury bill rates have come down fully 500 basis points, there has been less than half that much change in the long end of the market.

And dealers believe that the impact of the Fed's credit control program on bank lending activity could mean continued sluggish reaction in long rates.

The Fed has told the big U.S. commercial banks to restrict growth in their loans to some 6 percent to 9 percent this year. With inflation running at twice the upper end of that range, the central bank effectively is calling for a reduction in real credit outstanding.

### Public Markets

And as banks keep their loan rates high in order to discourage borrowers (and meet the Fed's growth guidelines), more corporations will turn to the public markets if they need financing.

The likelihood that the calendar is going to get increasingly crowded, and the reaction once borrowing plans are set, are certain to keep a fairly high floor under long-term money costs.

The official response that is likely with sluggishness in long-term rates is difficult to anticipate.

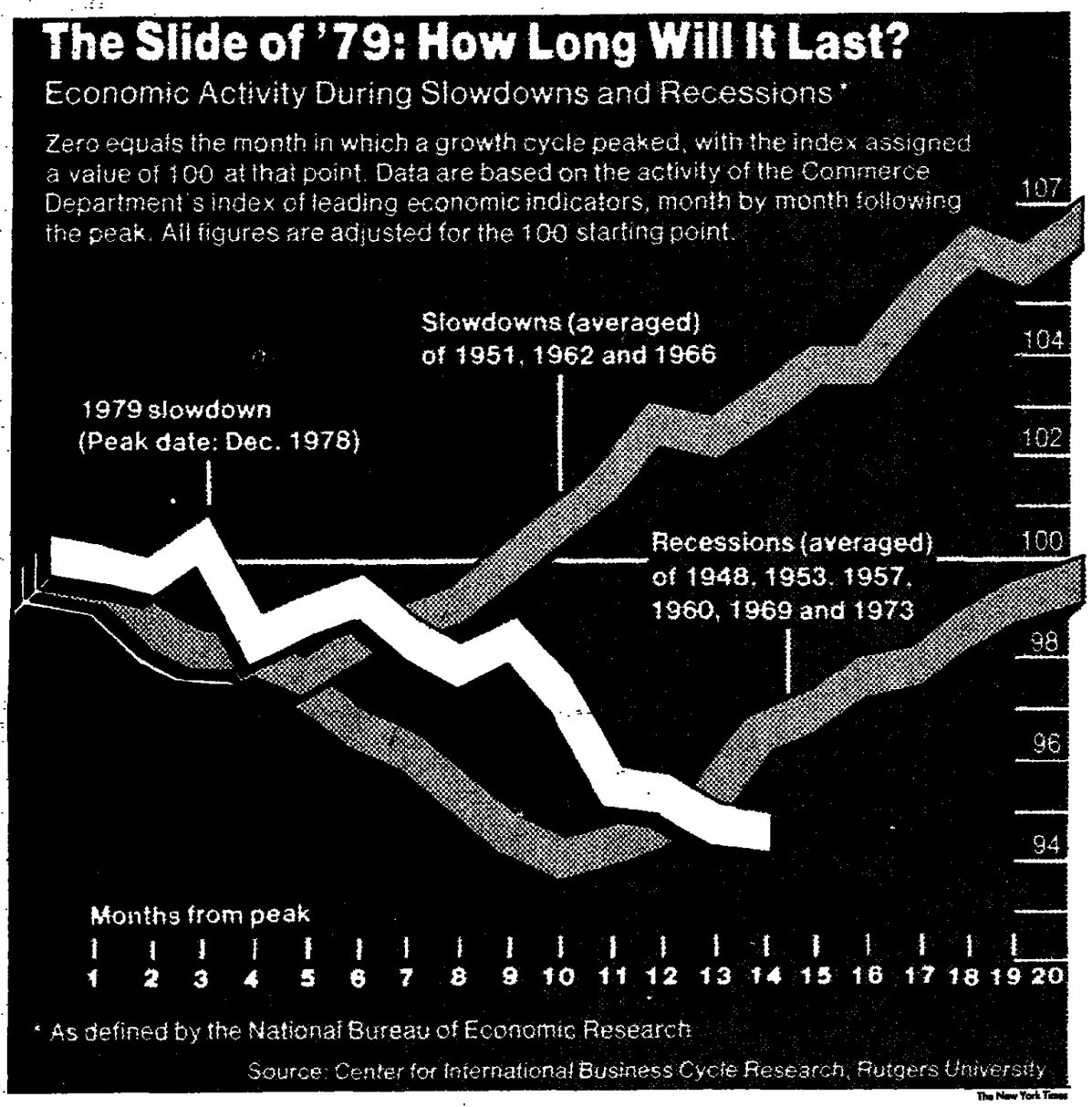
Mr. Volcker's Federal Reserve is sure to be pleased if long rates in U.S. markets remain firm, since this will assure ongoing strength for the dollar and make it possible for the United States to weather its recession without a major speculative run on its currency.

But it must not be overlooked that the United States will hold a presidential election in November.

### Mortage Loans

One long-term rate that is subject to Fed policy and the other conditions now affecting the market is the rate for home mortgage loans. The American housing industry is in the midst of its worst slump since World War II. And a key factor is the inability of many potential homebuyers to pay the current 15 percent to 16 percent rates being asked for housing credit.

The political fallout from this housing depression well could force the Fed to move more quickly than it might prefer in order to stimulate the U.S. economy.




## U.S. Slump Rated As Relatively Mild

By Geoffrey H. Moore

NEW YORK (NYT) — Evidence is mounting that the prolonged slowdown in the U.S. economy is turning into recession.

Even though the National Bureau of Economic Research, which is the official arbiter of recessions, has not yet applied its recession stamp, the current slowdown is already more serious than any of the three postwar slowdowns that did *not* turn into recessions.

Most indicators would now place it among the milder of the six previous periods that were officially rated as recessions.

And the Commerce Department's index of leading economic indicators, which usually anticipates future movements in output and employment, has already declined as much as it had by this stage in the average of the previous six recessions.

### Long List

Recessions are no novelty in the United States. One in 1980 would be the 34th in a list that goes back to 1834.

But each recession starts from a position peculiar to it. Some of these factors have a moderating influence, others the reverse. Among the factors that are likely to moderate a 1980 recession are the favorable trend in inventories on hand and on order, and the current strength of leading indicators in other countries.

Inventories themselves are not especially low when expressed in physical units and related to the physical volume of sales. For manufacturing and trade as a whole the ratio of physical inventories to sales in February was well above its year-ago level and also well above the levels reached prior to the 1973-1975 recession. Hence inventories may still be a problem.

But many companies have already been working on the solution, by reducing their outstanding orders. Total inventories on hand and on order began declining last September. Of course, the process of getting inventories under control in itself depresses production, but part of the problem is behind us.

Recessions are often international in scope, and when they are it makes things worse domestically because of the loss of export markets. So far the leading indicators for our major trading partners have been stronger than our own, although there are hints in financial markets that the "American disease" may be catching.

Leading indicators for other industrial countries, compiled by the Rutgers center, moved up strongly during 1978 and last year. These indicators, like those for the United States, give advance warning of slowdown or recession in the countries concerned. Since U. S. exports depend in part on the level of demand abroad, the foreign countries' indicators act as leading indicators with respect to our exports.

The strong growth in U.S. exports during last year was consistent with this relationship. At the end of the year the leading indexes for Canada, Britain, West Germany, France, and Japan were still at high levels, although the rate of advance had diminished in some countries. So far they are not signaling an international recession; hence export prospects are still a plus factor in the American outlook.

However, among the special factors operating on the downside is the unusually high level of interest rates. Housing starts have already reacted strongly, with a bigger decline since the slowdown began than in eight of the nine previous episodes. The efforts to reduce inventories stem in part from the high cost of financing them. Other commitments where financing costs are significant are likely to be cut back or postponed.

The upward trend in interest rates has become worldwide, partly as a consequence of the general increase in the rate of inflation. It would not be surprising, therefore, for declines in the leading indicators that are sensitive to financing costs to spread across countries, though so far this has not become apparent.

### Elapsed Months

In terms of the American economy, while some earlier periods of sluggishness have been followed by renewed growth, most have turned into recessions. Ten indicators tracked by the Rutgers center give a rating to the current period in comparison with each of the earlier periods after the same number of months had elapsed.

Until late last year, most of them were rating the current slowdown in the same class as the slowdowns that did not become recessions. Now, according to the latest rating released by the center last week, only one indicator (non-farm employment) is still suggesting a slowdown without recession. Seven rate the current period as a mild recession, while two indicators — housing starts and real retail sales — are saying sharp recession.

The March figures for housing starts, released last week, were 47 percent below their level at the start of the current slowdown, in December 1978, a bigger drop than in any of the preceeding six recessions over the same interval. In short, nine of the 10 indicators are pointing to recession.

These results are based upon the changes that have already occurred in the indicators in comparison with their past performance, not upon forecasts of what may happen to them in the months ahead.

A composite index that includes the most reliable early-warning indicators, such as new orders, the average work-week, stock prices, liquid assets, and inventory change, has been moving down for more than a year, and has now dropped as much as it did in the average of the six preceding recessions.

If the recession turns out to be "average," what will it be like? For one thing, it would be the seventh since 1948, a period for which there are good records and thus good comparisons. Four of the preceding six recessions lasted 10 or 11 months, one expired in eight months, and the other dragged on for 16.

At the same time, an "average" recessions would cut profits and reduce some costs of production, especially the cost of borrowing and the cost of materials. The rate of increase in labor and other costs of production per unit of output would diminish in such a recession, and so would the rate of advance in the general price level.

We've never had an "average" recession, of course. Something new is always added. Then too, averages are not good guides when they fail to pick up trends.

Employment, for example, has become steadier in recessions. The

(Continued on Page 14S)

## Foreign Investors Wary of Wall St.

By Charles Koshetz

NEW YORK (IHT) — Foreign purchases of U.S. stocks got off to a spectacular start this year, raising hopes that the growing overseas disenchantment with American equities had ended.

But in recent weeks the buying has dried up, brokers here say. And they generally agree where to put the blame — the falling dollar, fears that recession will cut the profits of U.S. corporations and doubts that the Carter administration is capable of avoiding the worst of both worlds as it struggles with inflation and an economic slowdown.

Only a few months ago, foreign money was pouring into the U.S. exchanges, helping to fuel the rise in share prices that peaked in mid-February when the Dow Jones industrial average hit 903. The market was anticipating the peaking of inflation and interest rates with pretty good foresight. And overseas investors were anticipating an extra boost stock investments would bring from a rising dollar, which was coming back strongly.

The bottom line of this felicitous coming together of bullish factors, according to monthly Treasury department figures, was a net inflow of $1.7 billion of overseas money into the U.S. stock market during January and February (net being purchases minus sales). European individuals and institutions were particularly open-handed, responsible for $516 million in net purchases in January and a red-hot $813 million in February.

This was a dramatic change from last year, when the paltry European net purchase figure was largely responsible for cutting total overseas purchases of stocks here to $1.6 billion from $2.4 billion in 1978. The total had been slipping for several years before that.

David Bodenberg, vice president of international research at Merrill Lynch, Pierce, Fenner & Smith, explained that the prolonged slide of the dollar had created a wariness of U.S. stock purchases by foreigners who have been sensitized to currency market movements in a way that most Americans have not been conditioned to understand.

"When you realize that the dollar has lost 70 percent of its value against the Swiss franc over a decade while the stock market hasn't been able to make up anywhere near what would be lost, you can see why some people over there are a little shell-shocked," he said.

Mr. Bodenberg said Merrill Lynch's market analysis group had determined that overseas activity in the stock market had dropped back into a "neutral" mode in recent weeks, and may even had slipped into a net selloff situation.

Mr. Bodenberg, along with many other analysts, attributes the tailing-off of foreign purchases to doubts that Washington can bring down inflation and interest rates in a well-ordered manner. And with good reason. Rates plummeted as recession forecasts became grimmer, and this was followed by fears that the Federal Reserve Board had "panicked" and was going to back off on its tight money policy too soon and reinflate the economy.

"You can't kid them into believing we are marvelous managers of the economy," said James Barton, executive vice president in charge of the international division at Bache Halsey Stuart Sheilds.

Foreign investors, he said, have to be uncertain about the U.S. stock market when they see interest rates peak at unheard of levels here and then come crashing down.

While Americans are busy anticipating the recovery of the U.S. economy and corporate profits well before the recession is fully developed, he said.

Yet foreigners are keenly aware of the recuperative powers of the U.S. economy that arises from the seemingly endless desire of the U.S. consumer to buy, Mr. Barton said. And for this reason, overseas investors are eyeing, but not necessarily buying at this time, stocks in consumer-oriented companies.

(Continued on Page 16S)

## ...lectronics: 'Bond for Society'

...EW YORK (IHT) — A Chinese sociologist feels that electronics, far from being an al...ting factor in American life, will prove to be the ...ument to create "a new bond for American ...ety."

...a series of articles published in Hong Kong Shanghai and excerpted in Datamation maga... Professor Fei Xiaotong describes how auto...ic control systems have changed the fabric of American society he saw for the first time in ...4.

...is comments on America's application of tech...gy and its social impact reflect unique percep...s of someone who visited the United States ...twice — 35 years ago and last year.

...rofessor Fei is most impressed by the extent to ...h American society has gone electronic. He de...es the importance of "automatic control sys...s that electronically transmit information" ...h condition, in turn, leads to another in ...h "the many complex relationships between ...cts, between men and objects and among peo... — which earlier people had no means of con...ing" can be brought under human control.

...he head of the Chinese Sociological Research ...ociation is impressed by the velocity and effi...cy of American society — velocity referring to ...speed of movement of people and objects and ...iency referring to the quick completion of ...s.

...ue to constant improvement in electronic sys...s the speed and efficiency of human activities being improved upon, leading to a tightening of ...ionships between more and more people. Electronics is the cause of a "renewed bond for American society" according to the professor. It allows people to organize instantly into collective activities without having to gather in a designated place. He sees the computer as a liberating force, extending the limits of human memory so that the mind can concentrate on creative activities.

His observations could be thought of in the same terms as those of Count Alexis de Tocqueville whose trenchant mid-19th century analysis of American society has well stood the test of time.

Between now and the year 2000 the techniques by which we accomplish virtually every personal and professional task will change profoundly. Electronics will be at the heart of virtaully every such change.

By the mid-1980s investors will grow more aware of what the Chinese scholar has perceived today. Along with the energy crisis, the introduction of electronics into every aspect of life is the most important economic and social force of our time.

In its ideal form, electronics leads to the creation of a society which functions with great efficiency and good grace. It is this latter possibility which especially caught the attention of Professor Fei. He notes that when people have easy access to information and make well-informed decisions quickly, stress is reduced and congeniality improves. For Americans who must undergo the dislocations and frustrations associated with the transition to the electronic age, this may be a difficult concept to accept. But it is highly probable that 20 years from now, Professor Fei's insights will prove as shrewd as those of De Tocqueville 140 years ago.

## A Recession Unlike Others

By Leonard Silk

NEW YORK (NYT) — How severe will this recession in the United States be? How long will it last, and which sectors of the economy will be hit the hardest? Any effort to answer those questions depends first on grasping the special character of this recession.

Every recession, as the late Wesley Mitchell of Columbia used to stress, is unique. The 1948-49 recession was essentially an inventory recession, for instance, brought on by the cessation of postwar stockpiling. The 1953-54 recession was caused by the overshooting of a capital spending boom — but that recession was first delayed by a burst of government spending related to the Suez crisis and then intensified by defense ordered cutbacks and Federal Reserve monetary tightening.

If it had not been for consumers cutting their savings rate down to a historic low of 3 percent and going so deeply into debt, the expansion would not have lasted as long as it did; the recession would probably have begun in the final quarter of 1978.

### Consumer Recession

The current recession is a rarity: a consumer-led recession. As Lawrence Chimerine, president of Chase Econometrics, put it, "Unlike most other recessions, the current downturn is not due to a major weakening in the enterprise sector, or to a post-war decline in military spending. Rather, it is due to the significant weakening in the financial position of households, and the resulting decline in spending for goods, services and homes."

The consumer recession has resulted from the decline in employees' real income as inflation accelerated, the decline in employment, the record buildup of consumer debt, and the fall in value of household assets, including stocks, bonds, houses and many consumer durables. On top of this, Mr. Chimerine added, "Households are already saving a record low portion of their incomes and are finding it difficult or too expensive to increase borrowing. Thus, there is nothing left to sustain spending."

At the Standard Oil Company (Indiana) — Amoco — the economists, led by Theodore Eck, share this Chase Econometrics diagnosis and expect the consumer recession to be severe. In a report to their management, the Amoco economists note that the consumer savings rate, now at a record low level of about 3 percent, appears sure to rise, knocking billions of dollars off the gross national product. Consumers worried about jobs and incomes will be cutting back on spending and trying to pay off their debts. The mystery, of course, is how much the savings rate will rise. A rate of 6 to 6.5 percent, they observe, is "normal," over the longer run, and a rate of 8 to 9 percent has been typical of this stage of the early downswing of a business cycle.

The Amoco economists expect that because of expectations of continuing high inflation and government income supports, the savings rate may not rise higher than 5 percent. Such a rise in the savings rate would make the current recession two-thirds as severe as the one in 1974-75. But if the savings rate were to reach 6.5 percent, that would make the current recession about as severe as the last one, they warn. And, further, if the rate were to rise to more than 9 percent, they say, "this recession would be much deeper and longer than the last one."

# After Era of Expansion, Houston Banking Faces Competition

By Jennifer Lawrence

HOUSTON (IHT) — Houston's emergence as an international banking center, to many business people, seems a natural evolution paralleling the city's position as an international energy capital.

While not proclaiming Houston another major money market like New York, bankers here underscore the availability of banking expertise and good banking advice. But the city, they add, is entering a maturing phase — one in which competition will replace Houston's meteoric expansion into international banking activities.

In the last decade, Houston welcomed a flood of foreign bank representatives with its usual Texas hospitality: "Yawl come on down, it's good for business." At the same time, local banks strengthened their international departments and seven of the largest U.S. banks set up Edge Act corporations, out-of-state banks allowed to engage only in international banking activities.

But the role of foreign banks has been severely limited because the state constitution prohibits them from operating as banks. They have functioned as marketing and liaison offices rather than trading offices. With the passage of the International Banking Act of 1978, however, foreign banks and rep offices are permitted by the Federal Reserve Board to achieve Edge Act status. For the first time and due to federal legislation, foreign banks are able to conduct international banking activities in Texas. So far, only Banque de Paris et des Pays-Bas (Paribas) has applied for and achieved Edge Act status in the state.

Despite the state's prohibitive legislation, foreign banks have been drawn to the vast amount of capital and financial resources controlled out of Houston's energy-based economy. The number of multinational companies here coupled with Houston's active port has spurred international business in energy-related industry, agribusiness and general manufacturing.

Since 1976, the number of foreign-owned companies in Houston increased from 230 to 515. Some 365 Houston companies have offices abroad, compared to 252 in 1976.

The Port of Houston, the second largest U.S. port in foreign trade and third largest in tonnage, showed a 4 percent increase in foreign trade last year, despite a 6 percent decrease in imported crude oil. Imports and exports last year were valued at $9 billion and $9.5 billion respectively.

The interest of foreign banks in Houston began in 1961 when the Bank of Tokyo Ltd., the Bank of Nova Scotia and the Bank of Montreal opened representative offices. By 1970, the Toronto-Dominion Bank had joined the first three rep offices and seven more were established by 1975. During the latter half of the 1970s, Houston lured banks from France, Britain, Italy, Japan, Brazil, the Netherlands, Norway, Switzerland, Korea, Hong Kong and Saudi Arabia. Today, there are 45 rep offices based in Houston, generally covering the entire Southwest region.

## Feasibility Study

Robert Howard, executive vice president of First City National Bank of Houston and formerly with the Bank of Montreal, participated in the Bank of Montreal's feasibility study to enter the Houston market in 1961.

Mr. Howard explained: "The emphasis then was on inward investment to Canada particularly in the petroleum sector. You looked at Houston and saw the larger companies, the independent operators and the manufacturing industry. Western Canada at that time was basically dependent on the U.S. for oil and gas equipment so it seemed logical that these Southwest companies would start moving to Canada. We wanted to be where the action was."

Banks in other countries took a similar view of Houston, according to Mr. Howard, who noted that the Scottish banks, for example, came to Houston looking for service companies which would be based in Aberdeen because of the North Sea oil and gas discovery.

Ian Gordon, senior representative of The Royal Bank of Scotland Ltd. here, would agree. He pointed out that 45 rep offices are all selling the same commodity so "you have to market yourself." Mr. Gordon said that since its 1974 entry into the Houston area, his office has offered a wholesale rather than retail service, with credit booked through the bank's New York branch.

Much of the "on-the-spot" communication occurs in Houston through rep offices while actual banking transactions are routed through home offices or branch affiliates because of restriction by Texas on foreign banking activity. While many rep officers would like the satisfaction of booking loans, they nevertheless consider their marketing role a necessary way to capture Houston business.

Nils Gulnes, senior vice president and representative of Den norske Creditbank, the largest commercial bank in Norway, recognized that a rep office here would have to "do something special" to compete successfully. DnC opened its first U.S. office here in September after studying New York, the West Coast, Chicago and Denver. Houston was chosen because the bank's specialization — oil, offshore and shipping — matched Houston's economic makeup. Mr. Gulnes said that DnC was the first European bank to set up an oil department and currently maintains the largest staff of any European bank oil department.

DnC's Houston office, which covers North and Central America, seeks international oil loans on a project basis, according to Mr. Gulnes, who added, "I am more than pleased with our efforts so far. Business has been more than expected."

The Bank of Tokyo Ltd., the first foreign rep office in Houston, came to this area in 1961 to serve a number of Japanese trading firms located here, explained the bank's Houston chief representative, Akira Nishikawa. Mr. Nishikawa, who will be returning to Japan later this month for another assignment, also serves as president of Tokyo Bancorp International (Houston) Inc., a corporation set up in 1976 in agreement with the Federal Reserve Board to conduct specified international banking activities.

Initially, Japanese business here centered on importing Texas cotton but Mr. Nishikawa said that in 1971 the emphasis shifted to the energy industry. Japan is Houston's second largest trading partner with imports and exports amounting to $1.68 billion for last year. (Saudi Arabia was number one at $1.95 billion.) Japanese imports through Houston include steel and iron goods while export to Japan center around petrochemical products, machine tools and grain.

## Made Sense

A newer rep office looking for international trade financing opportunities here is the Standard Chartered Bank Ltd., which opened in April last year, with John Brinsden as vice president. Upbeat and confident about the Houston market, Mr. Brinsden said, "Almost all the major energy companies bank with our group somewhere in the world so it made sense to be here and to serve customers." When asked about the profitability of his office's first year of operation, he replied, "I'm smiling."

Mr. Brinsden also is smiling about the International Banking Act of 1978 provision allowing foreign banks to set up Edge corporations. (Edge corporations are chartered by the Federal Reserve Board to engage strictly in international banking activities. Prior to the IBA, Edge status was limited to U.S. banks.)

Under the new law, foreign Edge corporations like their U.S. counterparts can finance international commerce through "deposit facilities; loan, overdraft, advance, acceptance and other credit facilities; commercial letters of credit; foreign collections; purchase and sale of foreign exchange; remittance of funds abroad; purchase, sale and custody of securities and acceptances for account of customers abroad; and foreign credit information."

Setting up an Edge office certainly would broaden the scope of banking activity, but Mr. Brinsden warned, "it's not cheap to set up a banking operation. With a rep office you can get by with a secretary and a small office. So to invest in a foreign Edge office, you better damn well be sure it's going to work."

Mr. Brinsden added that factors to consider are whether the market exists, whether current legislation will allow a foreign bank to profitably exploit the market, whether the technological facilities exist to enter the market and whether qualified staff is available. Mr. Brinsden responded to the question of the possibility of Standard Chartered becoming an Edge with, "now that's a very good question, isn't it?"

It is also a question that local bankers are wondering about. So far, only Paribas has opened a foreign Edge in Houston. According to a Federal Reserve Board spokesman, one other foreign bank, Banco Oreal of Brazil, has filed a petition for Edge status in Houston. There seems to be no doubt that more Edges here will provide increased competition for the nine local banks with international departments and the eight Edge corporations already established.

Michael Gaetz, senior vice president and manager of Texas Commerce Bank's international banking group, does not mind increased competition because he believes that international business here will increase at a steady 15 to 20 percent rate a year. Since 1967, his staff has grown from 15 to 150, with 60 additional people employed in eight overseas offices.

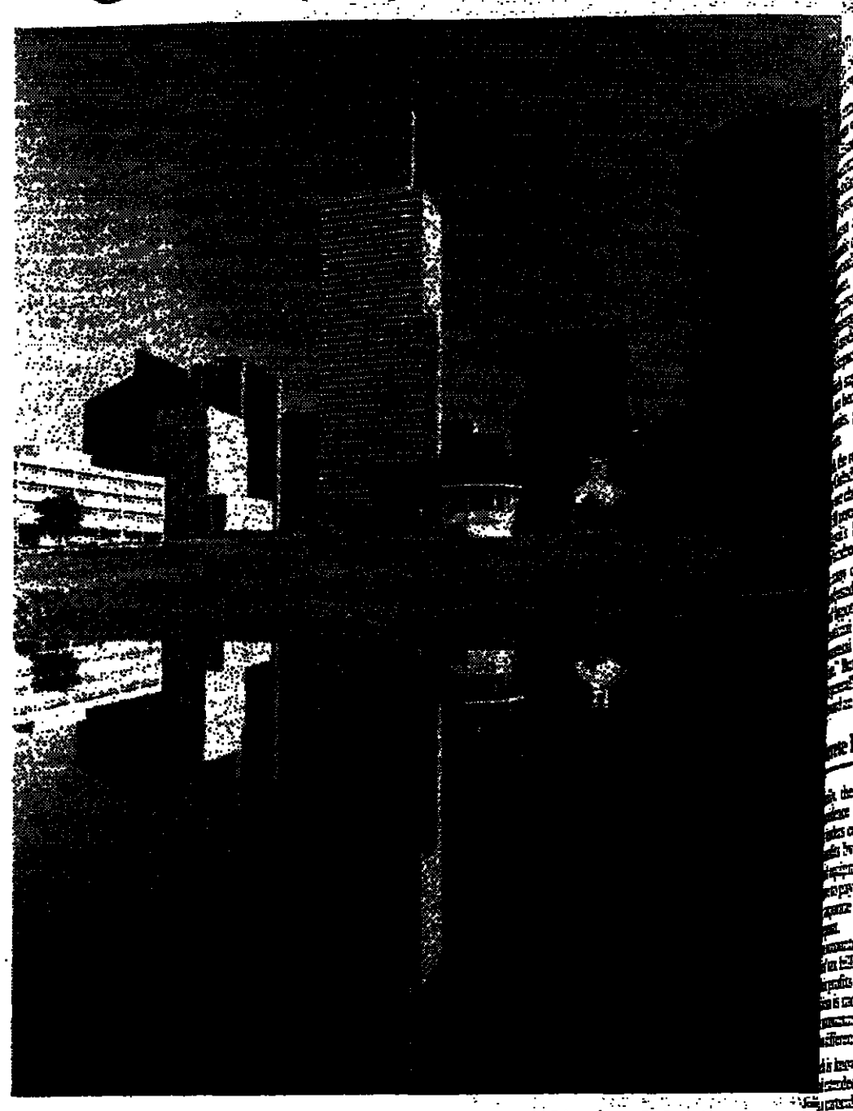
Mr. Gaetz and his local competitor Mr. Howard of First City National Bank of Houston both pointed out that local banks with international departments can offer full banking services to foreign customers. Mr. Gaetz cited trust services, retail banking services and domestic loans as important banking services unavailable through Edge corporations.

Mr. Howard, however, does not rule out future federal legislative changes favoring Edge corporations. He speculated: "If there were some relaxation in the deposit taking rule for Edges, they could provide broader based services than they presently can. A severe limitation on an Edge is being able to accept only truly international deposits. If an Edge corporation could accept domestic deposits, then we will have a significant increase in the competitive market situation." He acknowledged that this possibility is not imminent but "these things have a way of coming back."

Speaking for Bank of America's Houston Edge corporation, vice president and manager Kenneth Stallman said that the presence of Edges here has strengthened the international departments of local banks. Mr. Stallman explained: "I think we are in competition with the local banks in a relatively narrow market. That's trade finance, letters of credit and all that involves international movement of goods."

Bank of America opened its Houston Edge in 1972 and Mr. Stallman is pleased with the business mix. "The business mix here is such that Edges can build a balanced portfolio. By balanced, I mean there's a source of foreign deposits, a source of export loans, a source of import loans, and a balance between short-term and medium-term loans as a result of the Houston economy."

Mr. Stallman even sees a bright side to unit banking law in Texas prohibiting branch banking. He stated: "By not being ... branch, and not being ab... solidate deposits to grow ... and capital to increase ... of money loaned to any... tomer, local banks are fo... to our bank (or other Hou... es) or foreign banks to p... in those loans. If anything ... bring more involvement ... banks. If a regional bank ... $200 million legally, ... wouldn't need to go to oth... The fact that they can't m... very natural place for fo... out-of-state banks to come



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# lation's Double-Digit Entries

By Phillip H. Wiggins

ORK (NYT) — According to Walter Wris- of Citicorp, living amid inflation is like liv- ountry where everybody lies.

corporate corner of that land, the map is the compass warped. The way that compa- profits is distorted, or so the argument goes, rporate accounting lumps together dollars s ago with dollars earned today, ignoring the he dollar's purchasing power has withered.

ing, investors and stockholders are being ost systematic data on how double-digit in- ffecting particular companies. After years of d experiment, the Financial Accounting Board, the private-sector body that sets ac- ules, is requiring that annual reports for last de a novel modification of accounting that nflation's impact.

data, which supplement the customary fi- ements, are being required of about 1,200 al companies, generally those with more lion in assets.

first blush, the results are jarring. Adjusted s, Union Carbide's profits dropped 29 per- 's profits are chopped 45 percent, General rofits fall 38 percent, B.F. Goodrich's profit t out, Uniroyal's loss is nearly 80 percent t so on for hundreds of other companies.

rprisingly, many companies express doubts nflation-adjusted data, describing the fig- tentative and hypothetical. The new account- s, International Business Machines can- still experimental in nature, and will require over time." But, for all the doubts, the ector has generally welcomed the new data s steps toward an overdue reform.

## Concrete Evidence

nthusiastically, the new data are also em- concrete evidence that corporate income is Business leaders contend that, although in- erates profits by understating the cost of plant and equipment in a time of soaring panies have to pay real taxes on those "illu- ings." In corporate circles, it is hoped that ou gets the point.

w inflation accounting, of course, has no ef- companies' tax bills. For tax purposes, they to figure their profits by the usual rules.)

flation problem is more easily stated than re- fact, the accounting authorities, unable to e giving two different remedies a try.

ain approach is known as "constant dollar" g, a method intended to show the impact of nflation on a particular company. It does so ating past years' transactions into dollars with purchasing power as today's, using the Con- ice Index for urban consumers as a yardstick. xample, if $1,000 was invested in a plant in at outlay would be restated on the books as The larger figure is simply how many 1979 dol- kes to match the purchasing power of $1,000 In like fashion, deductions for depreciation mputed using the higher figure, and it follows that they would run higher than they did in the company's conventional accounting.

The same yardstick, the CPI, is used for all companies. This makes the constant-dollar accounting relatively easy to apply. But according to theorists, it leaves a big shortcoming: Companies do not buy the general price level; they buy buildings, they buy machine tools, they buy petrochemicals, they buy computers, they buy paper; and few of these prices go up at the same rate. In effect, every product has its own inflation rate.

With this in mind, the accounting authorities also are requiring a second approach, which measures items at their "current cost." In simple terms, a refinery built five years ago, or a steel mill 40 years old, would be restated on the books at what a comparable facility would actually cost today, as best can be estimated.

The difference in results between the two methods, constant-dollar accounting and current-cost accounting, often is dramatic. And the difference between the two new versions and traditional accounting, which normally carries assets at what they originally cost, is even greater.

## Effect on GE

As an example, General Electric, the nation's 10th-largest company, reported $1.41 billion in profits last year. Adjusted for general inflation, that profit would be $1.06 billion, and for specific price changes, only $986 million.

The supplemental data using the "constant-dollar" method were made mandatory for 1979 financial reports. The "current-cost" method will not become a requirement until this year's annual reports come out next spring, but many companies are already voluntarily reporting data. The current-cost method is "more meaningful," according to GE, because it gives a better picture of inflation's impact on a particular company.

Wall Street analysts are using the novel data to illuminate a similar point — how much companies pay out in dividends — and often the conclusion is that they pay out too much.

"The thing we like to key on is payout ratios, or dividend coverage: how many times earnings cover dividends," said Patricia McConnell, a certified public accountant with Bear Stearns & Co. and assistant to Lee Seidler, who writes an accounting commentary for Bear Stearns.

On the face of it, a company may pay out about a third of its profits in dividends. last year, for example, Ford earned $9.75 a share and paid a $3.90 dividend.

Adjusted for inflation, however, Ford's profits were much lower. In constant dollars, they were only $3.13 a share, and by the current-cost method, Ford netted only $1.78 a share. Thus, by either reckoning, Ford's $3.90 dividend exceeded its "true" profits and, in effect, theorists contend, came partly out of Ford's capital.

In fact, as Ms McConnell points out, a current-cost adjustment can turn a profit into a loss. Bethlehem Steel, for example, netted $7.55 a share by conventional reckoning, but it lost $2.86 a share using the current-cost accounting. (Both figures include a technical adjustment concerning taxes.)

# *New Bookkeeping Lets Outsiders Be Insiders*

By Robert Metz

NEW YORK (NYT) — As the new accounting rules required to show the effects of inflation come into use they may cause the real values of assets and debt to become more evident.

While the new rules affect only the largest companies at present, there are those who believe the changes many filter down to most businesses in years to come.

The changes were decreed by the Financial Accounting Standards Board in December, and while everyone was aware that this new set of rules was coming, few have realized that investment perceptions are bound to change as a result. Specifically, the change will affect companies with $1 billion in assets or $125 million in plant and inventories before depreciation.

There are some negatives but they are regarded as minor for an accounting change that will provide more of a kind of information insiders have at their command but outsiders almost never obtain.

Considerable information is required for last year and many companies will probably feel obliged to supply additional information that, technically speaking, they need not provide for another year.

In 1979, then, many annual reports will show in supplemental footnotes substantial upward adjustments in depreciation. Under the new rules, companies affected will be expected to reflect depreciation based upon the replacement cost of the plant. This will dramatically increase the depreciation change and result in substantially reduced earnings on this supplemental basis for nearly every company affected.

In addition, the companies that must comply will be expected to reflect their cost-of-sales on a current price, or last-in, first-out basis. This means that costs will be determined at the prices in effect for raw materials at the time the finished merchandise is sold rather than when the materials were purchased.

Many believe that the most relevant material has never been disclosed even to the Securities and Exchange Commission. Thus, corporations will show for the first time anywhere "gains" from declines in the purchasing power of net amounts owed. That is to say, to the degree that a corporation will be paying back debt in cheaper dollars, and will thus benefit, this benefit must be shown as a separate item in the annual report.

In addition, a corporation will show the increase in the "value" of inventory, property and plant held during the year.

Perhaps of primary importance to investors will be the fact that dividends will be adjusted for inflation, again in supplemental information categories. A company that pays a $2-a-year dividend will now be expected to state the dividend in a way that shows a substantially declining rate of dividend payment in this inflationary era.

Clearly, what the FASB is attempting to do is to aid the investor in adjusting historical cost statements to current costs.

But as one might expect there are bound to be important investment ramifications. Norman Weinger, a vice president of Oppenheimer & Co. and the firm's accounting expert, believes that investment perceptions as well as management actions will change as a result of all this new readily available information.

He believes that managements will feel obliged to increase dividends at a faster rate than inflaion. He believes once investors discover that their shares are declining in value in real terms they will be more aware of declining investment returns due to inflation.

Traditional financial ratios could change dramatically. For example, in debt-to-equality ratios, debt has been overstated historically and equity understated. This is a plus factor, Mr. Weinger said, because corporations generally will not appear to be as heavily leveraged as we have been led to believe.

# Auto, Housing Earnings Plunge

NEW YORK (NYT) — First quarter earnings reports by the nation's major corporations indicate that producers of lumber, rubber and steel were caught in the downdraft created by the ailing automobile and housing industries. And only a couple of airlines were able to rise out of the red.

On the other hand, oil companies and most chemical, computer and defense-related concerns continued to gain in a quarter buffeted by higher interest rates, unabating inflation and intensified international unrest.

"Over all, most industries affected by consumer spending will have trouble this year," concluded Mark Tavel, vice president and research director for the Value Line Investment Survey. He said that this will stem in part from rising unemployment and a drop in "real" income.

"We're looking for an average overall 7 to 10 percent downturn in profits, which sounds mild but reflects an average of very good years in the energy sector with disastrous years in construction, autos and trucks and airlines," he added.

## Big Gainers

Helped by a stronger dollar and benefiting from low-priced crude oil from Saudi Arabia, the major oil companies posted sharp gains, led by Exxon's 102.1 percent increase. Other big gainers included Texaco Inc., 97.6 percent; the Mobil Oil Company, 105.3 percent, and the Gulf Oil Corporation, 56.2 percent.

But Thomas Petrie, senior petroleum analyst for the First Boston Corp., downplayed the importance of net income under conventional accounting procedures, stressing instead the importance of reserves and potential discoveries for future revenues.

In the auto industry, General Motors., the country's premier auto maker, watched its profits slide 87.7 percent. The American Motors Corp.'s earnings plunged 95.9 percent. The Ford Motor Company has yet to report.

The closely related tire industry also lost ground over a broad front. The General Tire and Rubber Company reported a loss of $11.3 million in the quarter ended Feb. 29, primarily because of the sharp decline in domestic auto and truck production. Uniroyal, too, had a deficit, of $12 million. The Goodyear Tire and Rubber Company's net dipped 6.1 percent.

Hard-hit as well in the first quarter were most major forest-products companies, victims of soaring mortgage interest rates and the corresponding slump in new home building. The International Paper Company, the world's largest paper producer, appeared the most prominent casualty, with its net sliced in half. But the company was quick to attribute this to a 1979 first quarter gain of $94.7 million from the sale of a mill and woodlands in Florida.

"Costs of producing paper are rising in some mills, partly because the shutdown in the lumber mills results in a shortage of byproducts such as woodchips, used in making wood pulp," said Norma Pace, senior vice president of the American Paper Institute.

Hurt by strikes at several of its mills, the Georgia-Pacific Corp.'s earnings were off 35.1 percent. The Weyerhaeuser Company, the country's leading wood-products concern, said that earnings were off 7.3 percent. The Boise Cascade Corp. bucked the trend, reporting a 24.6 percent climb in the first quarter because of a lower tax rate, investment tax credits from its capital program and a higher proportion of timber capital gains income.

The nation's top four chemical producers generally rang up gains, helped by price increases put through last year to help offset the strong rise in feedstock prices. The biggest, however, E.I. du Pont de Nemours and Company, showed a 1.6 percent decline, which the company attributed to weakness in the auto market and sharply higher raw materials prices. The Dow Chemical Company gained 30.6 percent, and the Monsanto Company edged up 1.5 percent.

In the related pharmaceutical field, companies fared well, too, with new drugs serving as catalysts. Merck & Company posted a 16.6 percent advance, led by the sales of Clmirol, an anti-arthritic; Mefoxin, an injectible antibiotic, and Timoptic, a glaucoma treatment.

At the Smith Kline Corp., sales of its anti-ulcer drug, Tagamet, and its veteran cold product, Contac, helped create a 29.9 percent gain. Eli Lilly & Company showed a 11.9 percent rise as sales of its cephalosporin antibiotic group gained. The Upjohn Company forged a 16.1 percent profit rise with the aid of its Motrin, an anti-inflammatory and analgesic agent.

## Orders Dipped

Most steel producers showed a drop in earnings for the quarter, analysts say, because of the slackening demand for flat-rolled steel products, used mostly by car makers and the weakening appliance industry. They expect worse in the second quarter, because orders for the heavy steels used in big capital projects have also dipped.

The nation's biggest steelmaker, the United States Steel Corp., has not yet reported results, but they are expected to be down sharply. The National Steel Corp., with a $95.5 million gain from the sale of coal properties, showed an advance, but its steel earnings declined.

Airlines were depressed by softening demand brought on by the higher fares needed to cover escalating fuel costs. UAL Inc., parent of the nation's largest airline, United, showed a $40.3 million deficit. Trans World Corporation, parent of Trans World Airlines, has a $49.3 million loss; Pan American Airways' loss widened to $74.9 million, from $8.9 million.

General Electric, the broad-based manufacturer of electrical equipment, lifted earnings 12.6 percent on strong gains in foreign multi-industry operations. The United Technologies Corp.'s earnings were up 29.9 percent.

Computer companies also enjoyed gains. The International Business Machines Corp.'s was the most modest, held to 2.2 percent by the effects of inflation and fewer outright purchases of equipment.

On the other hand, the Burroughs Corp.'s earnings were up 12.8 percent and the Control Data Corp., a major supplier of peripheral and main frame computers, saw earnings climb 40.8 percent. The Xerox Corp. raised earnings 8 percent. On the downside was the NCR Corp., which logged a 15.3 percent decline as production shortfalls and delivery delays made themselves felt.

—P.H.W.


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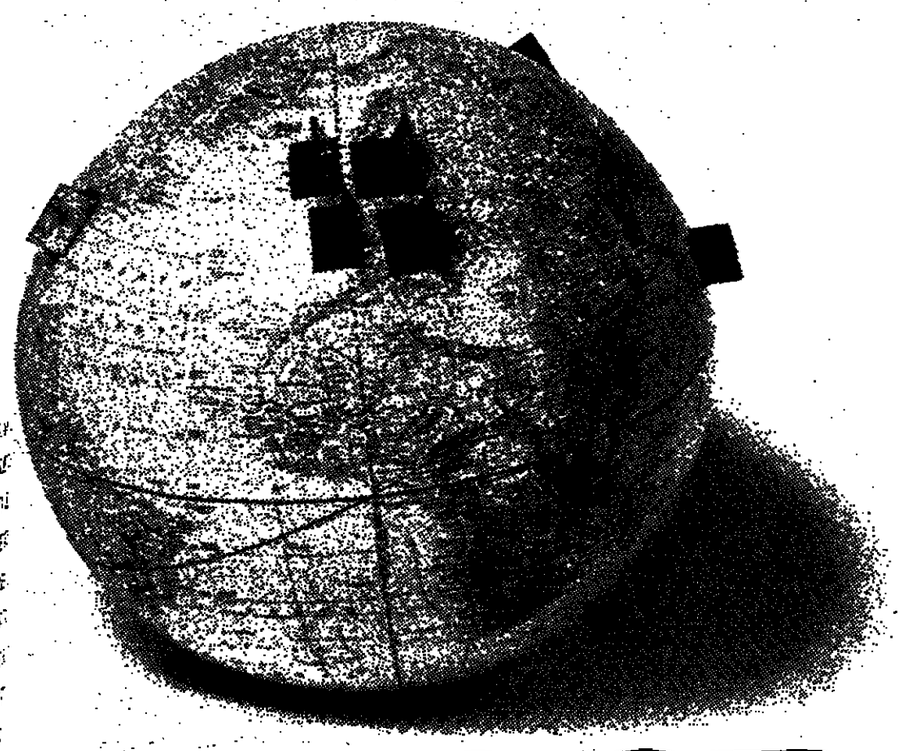
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European American Bank

# U.S. Enlarges Trade With China After Restricting Soviet Flou

By Clyde H. Farnsworth

WASHINGTON (NYT) — In the linkage of trade and politics that has long been a characteristic of the foreign economic policy of the United States, Washington is now moving to enlarge commercial ties with China after having severely restricted them with the Soviet Union.

Access to American food and technology and to the richest consumer market in the world is the carrot either held out or withdrawn, as the occasion demands, to try to influence the benign political behavior of other countries.

China's behavior is perceived here as improving and deserving of reward. But as President Carter said in his Jan. 4 speech to the nation, the United States and other nations committed to peace "cannot do business as usual" with the Soviet Union after the invasion of Afghanistan — or permit Russia "to commit this act with impunity."

American trade with the two Communist giants is still relatively small, inhibited more by the lack of quality goods they have to sell than by any waning of desire for the goods that the United States has to offer. The two-way trade with both countries still totals just about 1 percent of the total imports and exports of the United States.

President Carter's decisions to curb grain sales and exports of high-technology products to the Russians will contract business with the Soviet Union after almost a decade of slow expansion under detente. But the parallel moves to explore more technology transfers to China open a door that has been closed since the Korean War.

Six years ago the United States turned to trade as a political weapon in an effort to extract Soviet concessions on emigration policy. Sen. Henry Jackson, Democrat of Washington, and Rep. Charles Vanik, Democrat of Ohio, sponsored an amendment suspending normal trade privileges for the Russians unless they could give assurances that Soviet Jews and others could emigrate freely. President Gerald Ford resisted the measure (because he had been trying to improve relations with Russia) but finally agreed to it as part of the Trade Expansion Act of 1974.

The amendment applied to China as well, but Chinese officials have repeatedly said they have no objections to free emigration. In fact, at one stage, Sen. Jackson was told by a Chinese official, "If you want 1 million Chinese in Seattle, we'll give them to you."

But the Jackson-Vanik amendment proved to be a blow to detente, which had been inaugurated with a trade agreement signed Oct. 18, 1972. Moscow unilaterally suspended the agreement, contending that because of the Jackson-Vanik amendment the United States was not living up to its pledges.

In so doing the Russians excused themselves from repaying millions of dollars in debts dating from American aid to the Soviet Union during World War II. The Soviet emigration rates improved sharply after the Jackson-Vanik intervention, yet the Russians still refuse to provide the assurances required under the legislation.

The Carter administration, as part of its own earlier policy of seeking improved relations with the Russians, had been preparing nevertheless to resubmit the Soviet trade agreement for Congressional clearance. It hoped to present the Chinese agreement at the same time — as part of a policy of evenhandedness in dealing with the two countries.

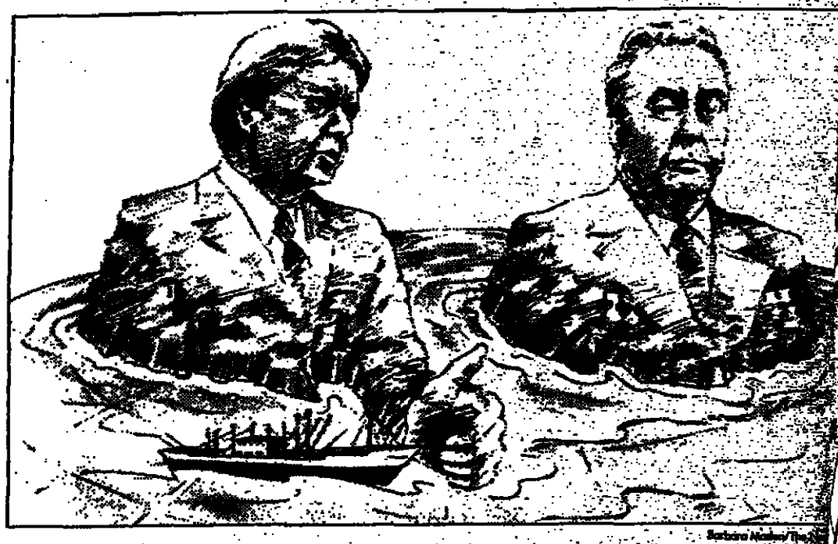
The main provisions of both the Soviet agreement and a similar one with China signed last year in Peking allow easier access of products from the two countries into the American market and grant them rights to borrow from the Export-Import Bank to finance purchases from the United States.

In the early part of the period in which the Soviet agreement has been in effect, hundreds of American companies rushed into the new market and the Russians borrowed more than $500 million from the Export-Import Bank to finance industrial purchases.

But as political relations improved with China, they began deteriorating with the Soviet Union. The Russians were seen intervening more actively in Africa by financing Cuban expeditionary forces, Soviet troops were discovered in Cuba, and, because of the more aggressive Soviet foreign policy, complications were developing in the Senate over ratification of the Strategic Arms Limitation Treaty.

Now with the Afghanistan invasion, evenhandedness is a dead letter. The Chinese trade agreement has already been presented to Congress and is expected to clear a little later this winter. The Soviet agreement will again go into the deep freeze.

"We've crossed a divide," said Myer Rashish, chairman of President Carter's Advisory Committee for Trade Negotiations. "The question now will be how to translate the harder line against the Russians into the next export controls."



Barbara Nicolosi/The

If, as expected, the Chinese trade agreement clears Congress easily, Commerce Department officials say the two-way trade could expand to $5 billion a year by 1985.

In 1978, the last full year for which figures are available, the United States exported $824 million of goods to China and imported $324 million worth. Last year trade was running at twice that pace.

**'We've crossed a divide. The question now will be how to translate the harder line against the Russians into export controls.'**

China's main interest has been in selling textiles, which are produced so cheaply that they are highly competitive in the American market even after transportation costs and tariff payments are taken into account. To win the consent of the domestic textile industry and its powerful supporters in Congress for the Chinese trade agreement, the Carter administration has been forced to limit growth of the textile imports. It sought initially to negotiate a voluntary restraint pact, but when negotiations broke down Washington imposed quotas unilaterally on Chinese textiles.

The Soviet Union, reflecting at least partially the longer period of more amicable relations, is a more important trading partner. In 1978 the United States sold $2.2 billion of goods to the Soviet Union and bought $540 million of Russian products. Soviet trade continued to expand throughout most of last year.

Both the Soviet Union and China are interested in acquiring American technology — the oil-well drilling equip... other advanced produc... speed their industrial de... But with the tougher exp... ing procedures that ... Carter has signaled, th... States will be taking a ha... at the possible military u... of the goods the Russia... buy.

Leading the campaign ... licensing rules is organize... Said a policy statement ... American Federation of L... Congress of Industrial C... tions last year: "The list ... Soviet acquisitions is en... make Lenin's statement ... Western democracies woul... the rope for their own ... seem like a prophecy."

But restraints on expo... risks as well. Trade is inc... important as a source of jo... American economy. Many ... believe that the long-run ... should be to ease the licen... cedures, after assessing wh... trade sanctions actually alt... havior of a government lik... viet Union and whether th... bited goods are available el...

## Americans Disappointed in Economy

By Leonard Silk

NEW YORK (NYT) — The overwhelming majority of Americans are disheartened by the performance and direction of the national economy. This conclusion emerged from a New York Times/CBS News survey and was reinforced by an independent poll conducted by Garth Associates for the conference on U.S. competitiveness, held at Harvard University last month. The Garth survey showed the following:

- Ninety percent of Americans believe the economy is headed in the wrong direction, and 87 percent believe that drastic steps are needed to strengthen the economy.
- Two-thirds see the crisis as fundamental, not stemming from minor sources nor only from the energy problem.
- Of those who think the nation is in crisis, 58 percent expect it to last three years or more and 23 percent say it will last five years or more. Only 13 percent expect it to be over in a year.
- Two-thirds of Americans believe the United States is losing ground, both economically and militarily, to other countries.

The Harvard conference, which was sponsored by the United States Senate Subcommittee on International Trade, the New York Stock Exchange and Harvard University, dramatized these national anxieties but failed to explain the underlying causes.

Professor Zvi Grilleches of Harvard, reviewing the data and analyses of declining American productivity, concluded that there was "almost no agreement on the sources of a slowdown." There are plenty of potential villains, including the decline in real research and development expenditures; declines in the rate of investment in new capital equipment; changes in the labor force, with more young people and women; government regulation; the rise in energy prices; inflation, and errors of measurement.

Each of these villains may have contributed a bit, said Dr. Grilleches, but together they do not account for the observed size of the decline. For his part, Dr. Grilleches suggested that the greatest suspicion attached to three interrelated factors — the rise in the energy prices, accelerating inflation and errors in measurement.

If appears to be no mere coincidence that the sharp slowdown in productivity came after 1973, with the energy crisis and the upsurge of inflation.

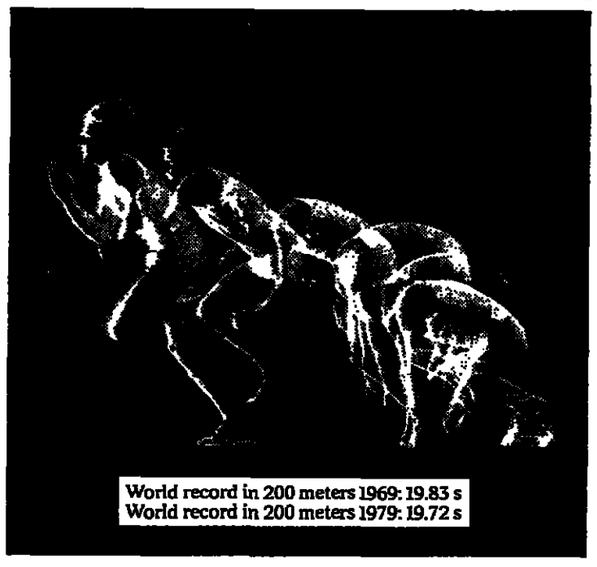
Energy seems to be the most important direct cause. The use of less energy than had been optimal would cause productivity to decline. And the rise in energy prices has made the use of some capital equipment very expensive and hence may have reduced utilization rates. Dr. Grilleches added that higher relative prices for energy may also have led to the substitution of labor for some capital that is now obsolete at present energy prices, thereby lowering the average output per man-hour.

The businessmen at the conference put their greatest stress on the shortfall of savings and capital investment. Indeed, the seminar devoted to productivity reached agreement that a major tax cut effective in 1981 should be used to reverse the downward trend in productivity, and that this tax cut should be made whether or not the government budget was in balance. The seminar voted to recommend that such a tax cut be evenly divided, with half going to promote capital cost recovery and half for a reduction in the payroll tax. However, one strong dissent was registered by a participant worried about the weakening of the Social Security system.

Labor and the American political left were underrepresented at the conference, but the labor representatives present expressed the suspicion that declining American productivity is being used as a device for justifying large tax cuts for business and declining real wages for labor.

However, the businessmen at the conference, as well as the legislators and academics, seemed to recognize the necessity of drawing up a plan for attacking national decline in general, a plan that would win the support of labor and other groups. Several participants, including businessmen, stressed that more harmonious business-labor relations had played a vital role in the superior productivity performance of Japan and West Germany.

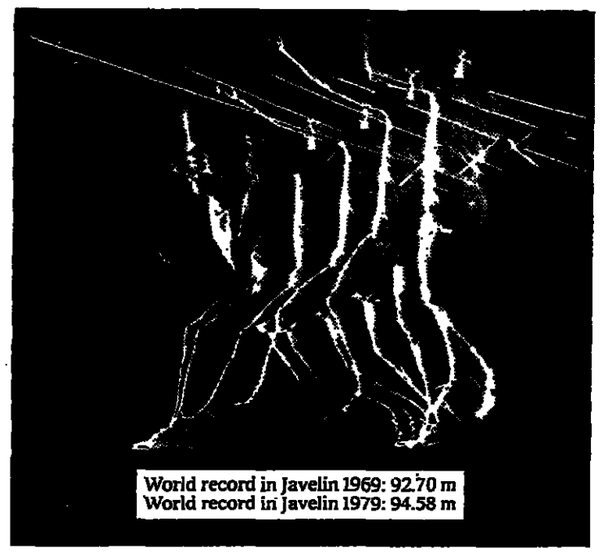
Sen. Bill Bradley, Democrat of New Jersey, won large support for his proposal for an investigation of the causes of United States decline. Many participants, however, were skeptical that one more study would do much good. Nevertheless, the conference appeared to be moving toward the conclusion that ad hoc tinkering to resolve the crisis would do little good, but that deeper knowledge and institutional and structural reform had become crucial.

World record in 200 meters 1969: 19.83 s
World record in 200 meters 1979: 19.72 s



World record in High jump 1969: 2.28 m
World record in High jump 1979: 2.34 m



World record in Javelin 1969: 92.70 m
World record in Javelin 1979: 94.58 m




BfG Balance Sheet Total 1969: 14.75 bn DM
BfG Balance Sheet Total 1979: 54.57 bn DM

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*Our slogan „The more you know about banks, the better for us", is first and foremost a challenge to ourselves. We intend to meet it.*

| Key Balance Sheet Figures*): (in billion DM) | 1978 | 1979 |
|---|---|---|
| Total Assets | 49.35 | 54.57 |
| Total Customers' Deposits | 21.04 | 24.05 |
| Loans to Customers Outstanding | 25.77 | 31.04 |
| Capital and Reserves | 1.31 | 1.43 |

*) Consolidated Balance Sheet Figures/BfG: Group

BfG:Bank für Gemeinwirtschaft,
Theaterplatz 2, 6000 Frankfurt am Main.
BfG:New York, 400 Park Avenue, New York, N.Y. 10022.
BfG:London, 83 Cannon Street,
Bucklersbury House, London EC4N 8HE.
BfG:Luxemburg S.A., 14 Rue des Bains, B.P. 1123, Luxembourg.
BfG:Hong Kong, 6th Floor, Bank of Canton Building,
6 Des Voeux Road Central, G.P.O. Box 11272, Hong Kong.

**BfG:Bank für Gemeinwirtschaft**

# Look behind our numbers and you'll see our resources

REPUBLIC NATIONAL BANK OF NEW YORK
CONSOLIDATED STATEMENT OF CONDITION March 31, 1980

| | |
|---|---|
| **ASSETS** | |
| Cash and demand accounts | $ 340,564,9 |
| Interest bearing deposits with banks | 1,504,432,9 |
| Precious metals | 6,133,5 |
| Investment securities | 350,773,1 |
| Federal funds sold and securities purchased under agreements to resell | 207,000,0 |
| Loans, net of unearned income | 2,303,982,5 |
| Allowance for possible loan losses | (41,575,9 |
| Loans (net) | 2,262,406,5 |
| Customers' liability under acceptances | 248,151,5 |
| Bank premises and equipment | 31,871,9 |
| Accrued interest receivable | 99,916,7 |
| Other assets | 163,135,5 |
| | $5,214,388,1 |
| **LIABILITIES** | |
| Deposits | $3,905,597,4 |
| Short term borrowings | 351,458,5 |
| Acceptances outstanding | 251,727,1 |
| Accrued interest payable | 153,662,1 |
| Due to factored clients | 162,267,2 |
| Other liabilities | 77,209,3 |
| **STOCKHOLDER'S EQUITY** | |
| Common stock | 100,000,0 |
| Surplus | 100,000,0 |
| Undivided profits | 112,465,9 |
| Total stockholder's equity | 312,465,9 |
| | $5,214,388,1 |
| Letters of credit outstanding | $ 276,809,9 |

At March 31, 1980 the portion of the investments in precious metals not hedged by forward sales was $1.9 million.

**Our $312,000,000 capital base is 8.0% of deposits—one of the best ratios among the top 100 banks.**

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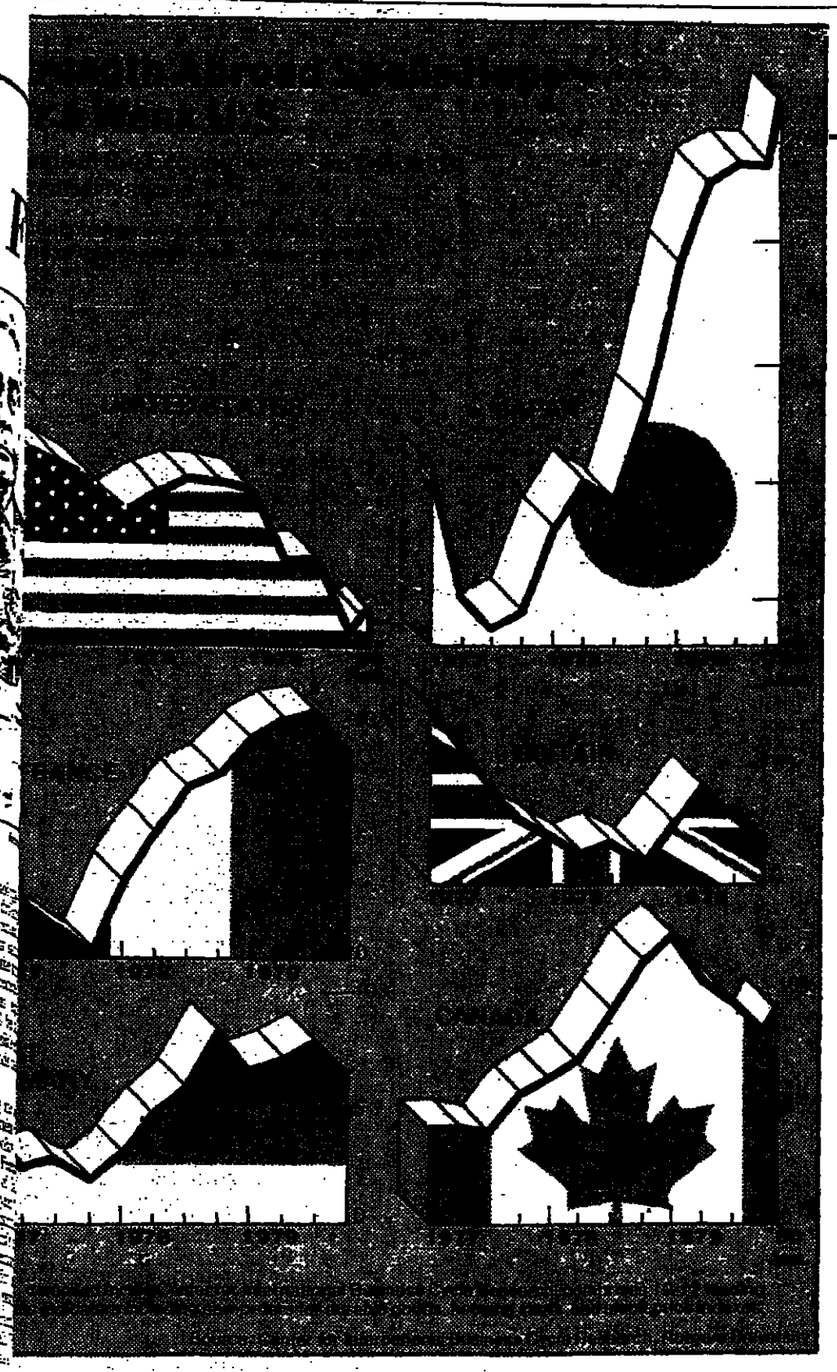
Our people's efforts show up elsewhere on our balance sheet. For example, our assets are more than 16 times Republic's $312 million capital base. And our return on average assets is one of the highest in the banking business.

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# European Banks Balk at Proposed U.S. Credit Curbs

By Paul Lewis

PARIS (NYT) — Several major Western central banks say they are reluctant to cooperate with President Carter's anti-inflation program by restricting the volume of loans their commercial banks make to American corporations and residents as requested by Paul Volcker, chairman of the Federal Reserve Board.

Last month, Mr. Volcker delivered a personal letter to the governors of the principal Western central banks during their monthly meeting at the Bank for International Settlements in Basel, Switzerland, asking them to hold the growth of commercial lending to Americans within 6 percent to 9 percent this year.

Mr. Volcker wrote that he would "greatly appreciate it" if the governors could "find the opportunity, by whatever means you consider appropriate, to urge the principal banks in your country, whether or not they have branches or agencies in the United States, to support our program and to limit their loans to Unites States residents in line with the objectives of the special credit restraint program."

In what some officials say is a highly unusual act of central bank cooperation, the Bank of Japan recently announced that it would be "advising" its commercial banks to coperate. The Bank of Canada is also understood to be cooperating with Mr. Volcker's request.

However, monetary sources report that the central banks of Britain, France, Switzerland and West Germany are all unhappy with Mr. Volcker's request.

Rene Monroy, finance minister of France, has explicitly rejected the idea, saying that "it is not for the United States to dictate what we do in France." Privately, however, officials of the Bank of France point out that France's own rigorous credit controls make it hard for French banks to increase their loans to American customers, except through foreign branches.

The Bank of England, the Swiss National Bank and West Germany's Bundesbank are all reported to have said that they lack the legal authority necessary to control foreign lending in the way Mr. Volcker wants. In addition, some officials of European central banks said that such restrictions would jeopardize acquisitions in the United States by their own national companies, since these are often financed with credits raised outside the United States.

These officials also see a direct connection between Mr. Volcker's letter and the resounding defeat last month of the Federal Reserve's atttempt to limit the growth of the Eurocurrency markets — currencies on deposit outside their country of origin — by instituting a worldwide system of compulsory reserve requirements on private bank borrowing from these unregulated money pools, where banks frequently fund their loans.

European central banks, led by the Bank of England and the Swiss National Bank, rejected the American plan, arguing that it would damage their own banking business and interfere with the recycling of the oil exporting countries' enormous dollar surplus to nations that need to borrow abroad to pay for their imports.

Thus, having repulsed one American attempt to restrict foreign lending by private banks, these European central bankers said it would be illogical for them to approve another one.

The difficulty Mr. Volcker appears to be experiencing in winning international support for the new U.S. credit restrictions is seen by some Europeans as another threat to the dollar's stability.

Since the major American banks began cutting their prime lending rates, the dollar has weakened quite sharply against most other major currencies. This is mainly because the reduction in United States interest rates has not been matched by any significant easing of inflationary pressure. But the dollar's slide has also been aggravated by the reluctance of European governments to cut their interest rates.

Against this background, a number of authoritative European financial officials are saying that Treasury Secretary William Miller of the United States may have made a big mistake in rejecting plans to bolster the dollar by creating a so-called International Monetary Fund substitution account at a recent meeting of finance ministers in Hamburg, West Germany.

**Borrowers Still Being Deterred**

## *nking Fabric in U.S. Stretched Tight*

By Stan Strachan

YORK (IHT) — Can the U.S. banking sysget through the current cycle without a failn larger proportions than the 1974 collapse ork's Franklin National Bank?

uestion was raised again in international ircles when U.S. authorities came to the res- $9 billion First Pennsylvania Banking and largest bank in Philadelphia.

swer seems to be that if there is no chain of uring or retailing failures on a scale with the f the W.T. Grant stores in the last recession, ercial banking system in the U.S. should es- out major casualties. This is despite the fact bric of that system has been stretched tighter y time in the past.

jor multinational banks in the U.S. are start- some improvement in the spread between of money and their lending rates.

### Surge in Rates

winter, money costs moved up so quickly that surge in the prime lending rate to an almost ble 20 percent, the profit margins of most unk appreciably.

ownturn in interest rates that has accompanied l of the long-anticipated recession has given banks a little breathing space.

ave been able to move far more slowly in their business loan rates than the market has terms of wholesale deposit costs.

cause of Federal Reserve Board limits on the bank credit this year — targeted at 6 percent nt — the banks can be expected to keep their es lagging well behind other interest charges o deter borrowers.

uthorities have predicted that the prime rate substantially by year-end. John McGillicudman of Manufacturers Hanover Trust Co., recast that the prime might drop to about 14 y the end of this year.

Kaufman, the influential Salomon Brothers recently said that "in the second half of the n short-term credit demand subsides, the n rate may move below 15 percent, leaving l trough to be reached thereafter."

se, there are many qualifications in making a t on the future of the prime rate.

OPEC oil price increases have added to inflationary pressures and the huge outflow of dollars to pay for imports of oil has given the U.S. difficulties with its balance of payments.

This, in turn, contributed to problems with the dollar, which have been much improved since interest rates began to rise last fall after Paul Volcker became chairman of the Federal Reserve.

Recently asked whether a decline in rates now would cause problems, Mr. Volcker replied that it would not if the decline came for the right reasons, meaning lessened demands for credit.

### Potential Damage

The rescue of First Pennsylvania appears to represent a commitment by U.S. financial authorities to see the system through the present cycle without the traumatic psychological impact of a major failure.

The presence of 25 major banks in the lending group underscored the concern within the banking industry over the potential damage that would result from the closing of a bank as large as First Pennsylvania.

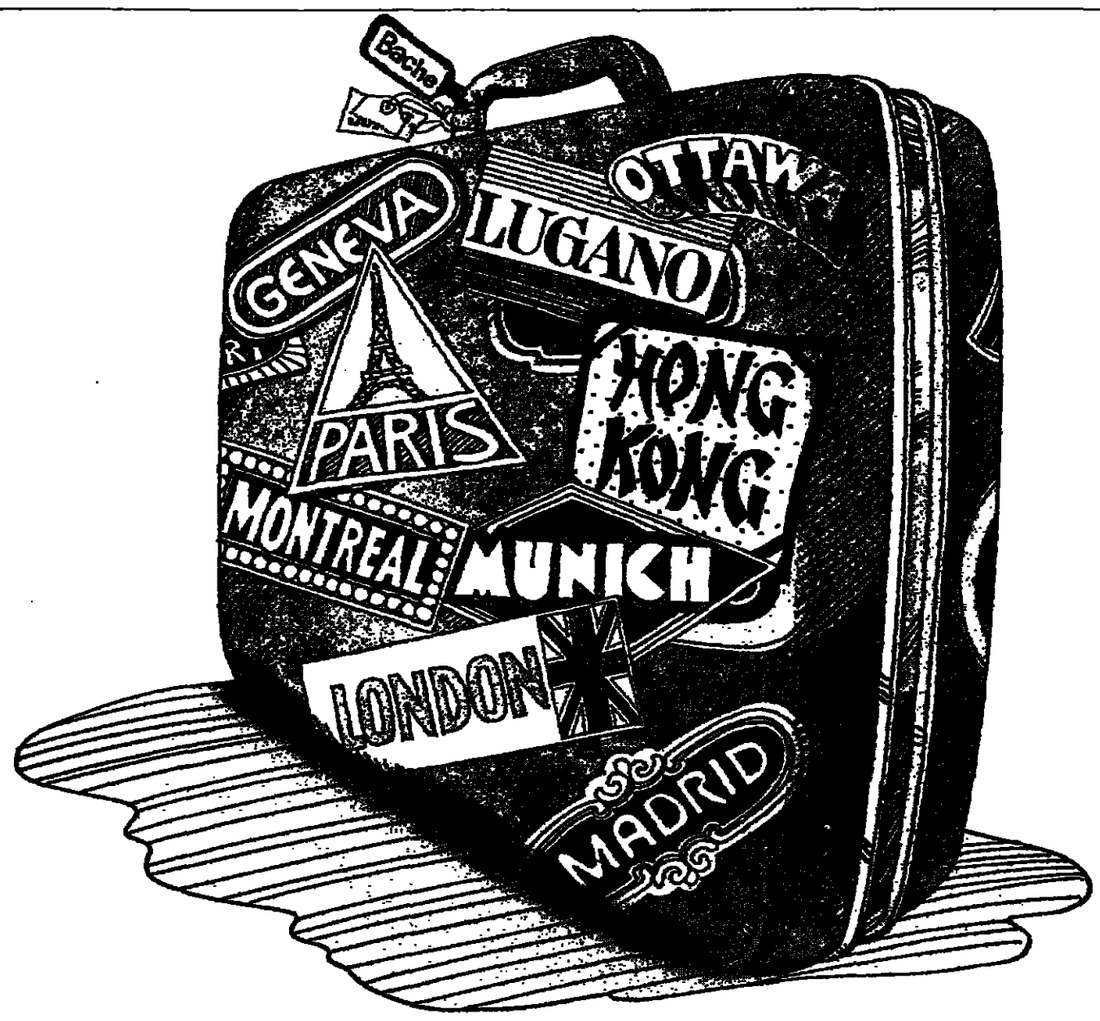
While it has been retrenching in recent years and seeking to serve its regional market, the bank's efforts to operate in the national and international loan markets during the late 1960s and early 1970s have earned it recognition worldwide — and that recognition could have made the repercussions of its failure even more severe than would otherwise have been the case even with its enormous size.

If the banks are able to keep the prime rate lagging other money-market levels, they could achieve significant improvement in their profit margins during the latter part of 1980 in spite of what will be a decline in assets in real terms.

With inflation likely to run at or above last year's 13.5 percent rate for the full year (in the first quarter it was at 18 percent), adherence to the Fed's growth guidelines would mean a decline in actual lending volume.

Since only four of the nation's 15 biggest banks were able to produce more income in the first three months of this year than they did in the same period of 1979, the Fed's growth restrictions offer a golden opportunity for banks to rebuild their profitability.

And from the way the prime rate has reacted thus far in the period of rapid rate decline, the banks intend to make the most of their opportunity.


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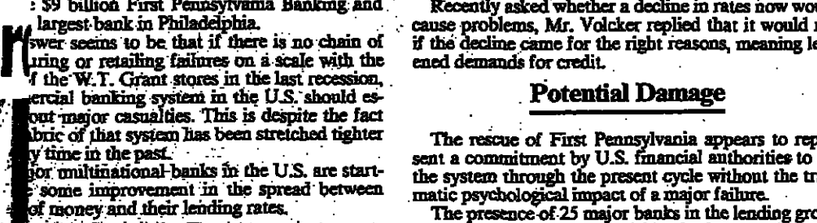
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# Interest Rates Expected to Go Higher

By John H. Allan

NEW YORK (NYT) — Over the near term, U.S. interest rates most likely will move higher.

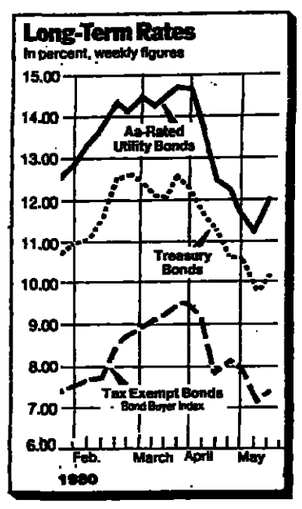
That bald forecast is an oversimplification of the consensus that appeared to build up in the fixed-income markets late last week, and it was based mostly on the large increases in the money supply that the Federal Reserve Board announced Friday afternoon. With a welter of complexities pushing and pulling interest rates in opposite directions, however, no one appeared ready to bet heavily either way.

Short-term interest rates last week continued to fall until Thursday morning, and then they rose sharply. Long-term interest rates last week climbed higher, their first substantial upward move since late March. For lack of anything better, many fixed-income traders and portfolio managers believe these trends toward higher interest rates likely will continue.

## Sharp Rise

Last Friday, the credit markets dropped in price, raising interest rates sharply, in the face of news of a big drop in industrial production and a further decline in housing starts. Last month, by contrast, bond prices soared on news of lower industrial output and weakness in housing.

"Apparently, like a drug addict, the market rally seems to need larger and larger doses of bad economic news to keep going," David M. Jones of Aubrey G. Lanston & Company, a leading government securities firm, commented as he surveyed the current state of the credit markets.




This week, important economic statistics such as last month's personal income and the first quarter gross national product were to be released, and they could be shrugged off as well even if they do reflect greater weakness in business activity.

What seems to have the credit markets worried at the moment, however, is the Federal Reserve, which held its monthly Open Market Committee meeting in Washington this week to determine the conduct of monetary policy in late spring.

Although Paul Volcker, chairman of the Federal Reserve, told savings bankers last Wednesday that the central bank would stick to current monetary policy and not push rates lower to pump up the sagging economy, worry about reflating the economy did become more widespread in the credit markets last week. On Thursday, Mr. Volcker told Congress that the recent decrease in the money supply would likely give way to increases, and that, too, caused concern among fixed-income traders and investors.

Mr. Volcker's remarks about the money supply Thursday paved the way for the Federal Reserve's report Friday that M1-A, which consists of currency and demand deposits in checking accounts, jumped $5.8 billion, to an average of $371.2 billion, in the week ended May 7. Although a big increase had been expected, the $5.8 billion was even larger than the top of the range frequently mentioned within the credit markets earlier Friday, and so bond prices declined roughly half a point and Treasury bill rates rose 15 basis points after the monetary figures were published.

The Treasury's new 10 percent bonds that mature in 2010 ended the week at 94 26/32-bid, their lowest level since their sale May 8 at an average price of 98 28/32.

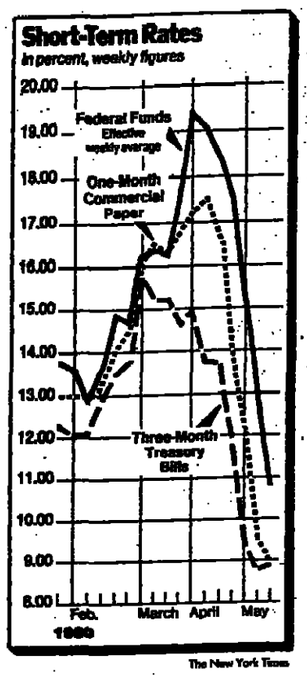
Even with the big bulge in the money supply, the first increase since the week ended March 12, the annual growth rate for M1-A remained at the low end of the 3.5 percent-to-6 percent range that the Federal Reserve has targeted as desirable for 1980. Consequently, the increase did not appear as worrisome to some monetarist-inclined analysts as it did to the market. Indeed, some monetary economists would argue that an increase in the money supply is desirable at this point to keep the economy from sinking even faster and forcing the Federal Reserve to deal with an even bigger Federal budget deficit.

Although the credit markets have every right to be skeptical of the central bank's resolve, they should note that Mr. Volcker did reaffirm last week that "over time the Federal Reserve intends to provide the reserve base for orderly, restrained growth in money, consistent with unwinding inflation."

Fixed-income traders zeroed in on Mr. Volcker's expectation that the money supply would "move higher," and they paid little attention to the additional phrase that the growth would be "consistent with our targets."

The markets apparently reasoned that renewed growth in the money supply would cause the Federal Reserve to pull funds out of the banking system and force short-term interest rates higher, driving them back toward the levels they reached late last winter. Faster money growth might rekindle inflationary expectations and raise long-term bond yields as well.

The willingness or unwillingness to accept monetary discipline is clearly on the minds of many credit market leaders. George Johnson, president of Scudder, Stevens & Clark, an investment counseling firm that supervises $13.6 billion of assets, said Friday that his "real concern" was whether the credit restraint program would lead to anything more than some cyclical improvement in the inflation rate and not to a longer-range improvement.




George Poliszczuk, vice president of Mellon Bank, who manages some $1.6 billion of fixed-income securities, disclosed the other day that the large Pittsburgh bank had adopted a policy of investing in no issues with a maturity beyond 1983 and of purchasing only high-grade securities. "We have no intention of buying any long bonds," he declared after he explained that Mellon a year ago had raised its estimate of the underlying inflation rate to 10 percent.

Lawrence K. Roos, president of the Federal Reserve Bank of St. Louis, gave the commencement address this week at Westminster College in Fulton, Mo., and he warned that "1980 is an election year, and the bitter medicine of monetary restraint has never been welcomed by candidates for public office."

# U.S. Stock Investor... May Get Tax Credi...

By Robert Metz

NEW YORK (NYT) — Since 1978, when France began allowing tax deductions to individuals who buy stocks and bonds, new capital added to that nation's equity base has increased tenfold. Under similar legislation in Canada's province of Quebec, where the incentives are more generous, there also has been a spurt in new investment capital.

Does this mean the same thing could happen in the United States? Rep. Richard Schulze, a Pennsylvania Republican, thinks so, as do 40 bipartisan cosponsors of the legislation he introduced on Jan. 24.

Rep. Schulze notes that his bill is modeled after the French law. The American version, however, would provide tax credits instead of deductions. A credit is more powerful. It offers a direct offset against the tax otherwise owed. A deduction reduces the amount of income subject to tax.

The American legislation is designed to attract new and younger investors by providing credits of 10 percent, up to $1,000 to individuals or $2,000 to married couples, for new investments in United States corporations. A minimum holding period of 12 months would be necessary to qualify for the tax credit.

## Public Hearings

At public hearings at the end of January, several statements in favor of the legislation were made by individuals in investment circles, including Robert Baldwin of Morgan Stanley & Co. He said the bill would provide "a healthy direct stimulus to new investment."

For years, the inability of American companies to attract new investors has been a matter of concern. Even more alarming to analysts and economists is the shrinking of equity capital in relation to corporate debt. The new legislation in France and Quebec seems to help stocks more than bonds.

In a speech in Chicago on May 1, Henry Kaufman, a partner and member of the executive committee of Salomon Brothers, drew attention to America's shrinking equity base. The relative value of corporate shares to debt has fallen dramatically in recent years, he said.

For nearly the first half of the postwar period, there was reasonable consistency" in the business corporations financed their growth, the economist said.

## Pattern Broken

For every dollar of new debt corporations added a dollar of "through the combination tained earnings and the issu new shares." But since the 1960s, he said, the pattern broken, with debt issuance sharply and equity growth far behind.

Thus, from 1952 through nonfinancial corporations in their debt by $123 billion and equity by $150 billion. Fro through last year, they in their debt by $756 billion b equity by only $522 billio Kaufman added.

"Moreover, when the factor in inventories is eli equity growth totals only lion for these 15 years. On t conservative basis, equity creased by only $30 billi year, while debt soared $ lion."

Mr. Kaufman called re tion of equity participatio quisite for renewed ec growth." Mr. Kaufman commenting on the Schulze he spoke favorably of tra recommendations for in shareholder incentives: redu capital gains tax and elim the double taxation of dividends.

## Overall Base

Whether the Schulze bi actually increase the equity base is unknown, the French and Quebec ex suggests that it would.

The French law allows deduct the equivalent of $1,200 from their taxable each year for four con years. The money must re vested for at least three though not necessarily in securities.

Not only has the overa base increased in France, country's Bourse stock inde creased more than 60 perce 1978. One million French i are reported to have take tage of the tax incentive, an them are first-time investor

In Quebec, residents c provincial income taxes on cent of earned income up to a year if they invest the newly issued shares of companies that have th quarters in Quebec or a ma their employees in Quebe months, more than 15,00 investors spent an average each on eligible shares. The shares purchased throu "stock savings plans" is m than 90 million.


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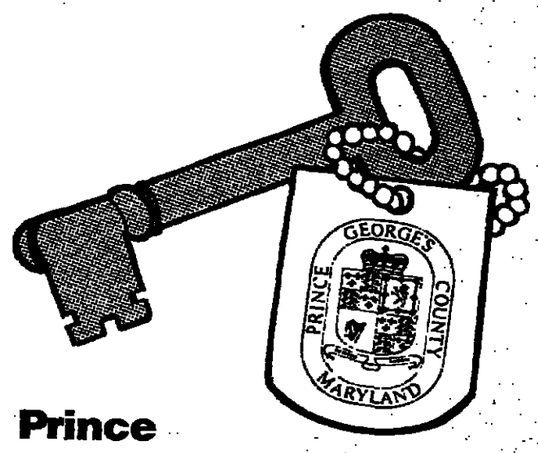
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Trends

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# peculation Falls Off in Commodities Market

By Alan J. Wax

YORK (IHT) — The spec- tive fervor that gripped modity futures markets for part of last year and early has vanished and probably be seen again for some mmodity research directors brokerage firms here say. ators, spurred by the infla- sychology that permeated financial markets, stam- to the commodities mar- hopes of staying ahead of tion rate and, perhaps, by of big profits. But some emselves facing high mar- ed at cooling off a few ed markets, high interest margin loans and nerve- g price drops for many ies earlier this year.

a classic boom-and-bust Jack Shwager, commodity director at Smith Barney, Upham and Company de- he events.

disillusioned, speculators to the sidelines, where remain for some time, "un- see market activity, espe- n the upside," said John who oversees commodity re- at Merrill Lynch, Pierce & Smith.

so, he does not see specula- rning to the markets with e vigor they exhibited last

Mr. K odity futures are contracts for future delivery of a commodity — cattle, gold, soybeans, sugar and even financial instruments, to name a few — at a specified price and time in the future.

Without the public, the professionals in the markets — commercial firms that use the markets to hedge their business transactions and floor brokers, also known as "locals" — will have to trade among themselves.

And there will not be too much excitement in the markets for much of this year to bring them any public company, the research chiefs said.

Mr. Shwager and Nelson Chang, the commodity research director at Shearson Loeb Rhoades, see few big price moves ahead for American commodity markets.

## Vagaries

What moves that do take place will be influenced by the vagaries of the American economy.

"The major factor affecting commodity prices in general will be the length and depth of any recession, versus the question of whether we'll have inflation and at what rate," is how Mr. Hing summarizes the situation.

If there is a significant U.S. recession, some markets that already have fallen sharply could face further erosion, Mr. Shwager noted.

"The markets now are adapted to the view that high interest rates will cut growth adversely, reducing the demand for certain goods," said William Byers, commodity research director at Bear, Stearns & Company.

It is because of this key role that they play that interest rates themselves have become the most exciting U.S. futures markets.

Activity in interest rate futures, also known as financial instruments futures, picked up dramatically last month, when U.S. short-term interest rates began their decline.

They are expected to be the most active, albeit volatile, American futures markets through the remainder of the year, Mr. Byers and many of his counterparts at other firms agreed.

Interest rate futures include contracts on U.S. Treasury bills, notes and bonds, and Government National Mortgage Association certificates. They have broader applications than, say, contracts for grains, since they can be used by banks, insurance companies and other financial isntitutions, as well as by insititutional and individual investors.

"Interest rate futures will probably draw the largest number of participants," said Mr. Hing, noting that these markets will continue to show strength, despite a few periodic sell-offs.

Mr. Shwager, however, feels that financial futures markets will offer little potential for major moves in the months ahead. Mr. Chang agreed, explaining that he does not forsee a big rally in the bond market, which is what interest rate futures are based on.

Livestock markets also are expected by some research chiefs to beat up later this year.

## Hog Production

David Rinehimer, research director at Thomson McKinnon Securities Inc., noted that hogs and pork bellies (used for bacon) now are selling below the cost of production and that as a result hog farmers may cut back production.

"Based on prices now, the downside risk is modest, compared with the upside potential," Mr. Rinehimer said of the hog market.

Jack Boyd, commodity research director at Drexel Burham Lambert Incorporated, said that since hog herds are being "liquidated like crazy," the costs of hogs and possibly beef cattle could rise later this year.

Noting that cattle prices also will rise, because there is evidence that the number of cattle in feedlots has been declining, he advised: "This is the No. 1 market to keep an eye on aside from interest rate futures."

However, Mr. Hing said that he does not think that cattle prices will move much higher "unless there is a significant liquidation of hog herds." But, he added that he has not seen any indication of this yet and that many high-volume, low-cost hog producers may be willing to maintain production at a loss if they can cover their fixed costs.

Another food commodity, sugar, also may offer some exciting potential later this year.

Thomson's Mr. Rinehimer noted: "We see longer-term upside potential in the sugar market . . . There's strong potential fundamental developments that will cause sugar prices to go higher longer-term."

"Sugar has been one of the few markets that has maintained any strength," said Mr. Hing, noting that dwindling world sugar supplies and questions about some European sugar-beet crops has "thrown some bullish sentiment into the market."

Some research chiefs see a resurgence of gold futures trading.

Mr. Chang, warning that U.S. inflation may heat up again after the November Presidential election, said that gold prices may pick up, too.

Moreover, "if there is any real, solid evidence that tensions are picking up in Iran, we're going to see substantial strength in gold and silver," added Drexel's Mr. Boyd.

"Precious metals, particularly gold, will see good volume and activity," said Mr. Byers, "they're a barometer of international tensions."

However, if the world scene remains peaceful, Hing noted, gold prices wil probably drift lower.

## Copper Bearish

Despite this somewhat bullish scenario for the precious metals, copper is viewed bearishly, because of its relationship to the U.S. economy.

Lumber and cotton markets also will be held in check by a U.S. recession.

The largest U.S. commodity futures markets — grains and soybeans — will offer speculators little excitement this year, because of the large carryover from last year's crops and because of farmers' intentions this year to plant large crops again.

A major uncertainty overhanging the farm markets is how the U.S. government will dispose of its purchases of grain that had been embargoed from shipment to the Soviet Union. "It's a real monkey wrench," said Mr. Hing.

Weather-oriented speculation may provide the only interest in grains and soybeans, Mr. Byers added.

### Price Gaps Between Contracts

# *utures Traders Work Spreads*

By H.J. Maidenberg

Ow YORK (NYT) — The long-heralded recession has finally engulfed the economy, but it ave little effect among traders in commodity Whether the price of a commodity moves up is immaterial to a trader, who can make mon- ng futures coutracts or selling them short — he picks the right side of the market.

unlike traders in stocks, those in commodities from one side to the other in minutes and o. All that futures traders look for is a clear and and lots of action so that they can move in quickly.

ity in the commodity markets has been light artly because the markets needed shortages, and ays, no commodities are scarce. Activity has an dampened by the higher cash margins that posed by exchanges to cool the rampant specu- a few months ago. Then, too, most commodi- ers question the forecasts of a severe and economic downturn.

r all, the inflationary forces are still at work, s still an election year," said Paul Sarnoff, New irector of research at Conticommodity Services olitical considerations created the bearish eco- ndicators, and political factors can just as easi- se them quickly."

## Price Trends

how does a commodity trader operate in the of clearly defined price trends? "The conserva- ders work the spreads," Mr. Sarnoff replied, there are ample supplies of commodities and re almost totally governed by the cost of mon- ch is the case today."

king the spreads, or price differentials between rer and more distant contract maturities, may ned to betting on both horses in a two-horse his involves the simultaneous buying (going f one contract and selling (going short) of an- the same or different markets. The hope is that ntract will produce more profit than losses in er.

ading, also known as straddling or switching ons, also makes more sense today, when there is ernible trend in most commodity markets, be- the pricing structure of most commodities re- arrying charges — the cost of financing, storing uring the goods involved — rather than supply- d and other factors. Put another way, the price eans or silver for delivery in, say, September, be selling at a higher level than those deliver- efore then, only because of the higher cost of g them.

Boyd, commodity research director at Drexel am Lambert Inc. noted last week: "Given this on, which is today common in all commodity ts, a trader can only operate on the assumption e cost of money in the near future will either be r or dearer.

one thinks short-term interest rates are headed he said, "then the spread should consist of the nearer delivery and going short the more distant month. The theory here is that if rates do decline then the cost of financing, storing and insuring commodities would also decline and price differentials between the months narrow arccordingly." Normally, the prospect of cheaper financing charges would reduce prices of goods in the future.

Obviously, if the spreader believes short-term rates will move up then he would do the reverse: sell the nearer contracts short and buy the deferred delivery in the expectation that the price spread will widen.

Essentially, Mr. Boyd said, the theory of spreading is the same that motivates prudent business managers and consumers in general. If one thinks that the cost of financing goods is going to fall, then it is prudent to put off buying until later on. And if one believes credit costs will rise, it would be logical to buy now rather than later.

## Trading Jargon

Last week, Mr. Boyd noted that the gold market, usually a good general indicator of short-term money costs, showed spreads much closer than two weeks earlier, reflecting the sharp drop in rates in that period. At the close that day, the New York June gold futures were $524.50 an ounce and the July contract was $529.70, for a spread of $5.20. This compared with a spread of $7 an ounce a month two weeks earlier.

"Whether the sharp drop in interest rates was an aberration or not," he added, "the bull spreaders in gold made money during the drop in rates, while the bear spreaders were the obvious losers."

In commodity trading jargon, a bear spread involves the selling of the nearer contract and the buying of the more distant delivery, while a bull spread is the reverse. If two weeks earlier, a bull spreader had bought, say the May delivery at the then-price of $511.50 an ounce and sold the June at $516, he would have been betting on a drop in short-term rates.

As of last Wednesday's close, the May gold delivery was $522.50 an ounce, for a gain of $1,100 per contract of 100 ounces. The June delivery was $524.50, for loss of $850 on the short sale. Thus the bull spread showed a gross profit of $250.

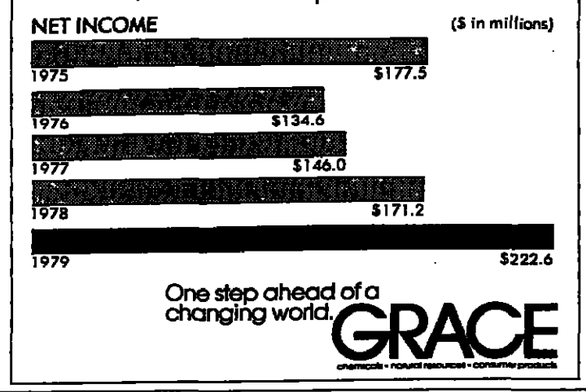
David Linnehan, metals specialist at Gill & Duffus Services Inc., the brokerage arm of the London-based commodity house, observed last week that spreads were often more prudent than outright positions in times of economic uncertainty for other reasons.

"Spreaders are not handcuffed by the daily limits on price moves that often lock straight traders in losing positions," he said, "The amount of spreading in today's markets is so great that it has created liquidity, in effect, in situations that would be otherwise dangerously illiquid."

But there are two big dangers in spreading operations, Mr. Linnehan cautioned. "One is that the relatively low cash outlays that increase one's trading leverage often encourage spreaders to assume far heavier positions than they would ordinarily take. The second danger is that the most prudent spread can become unraveled in minutes by events no one could possibly foresee. And when they do, the spreader often has two losing propositions instead of one."

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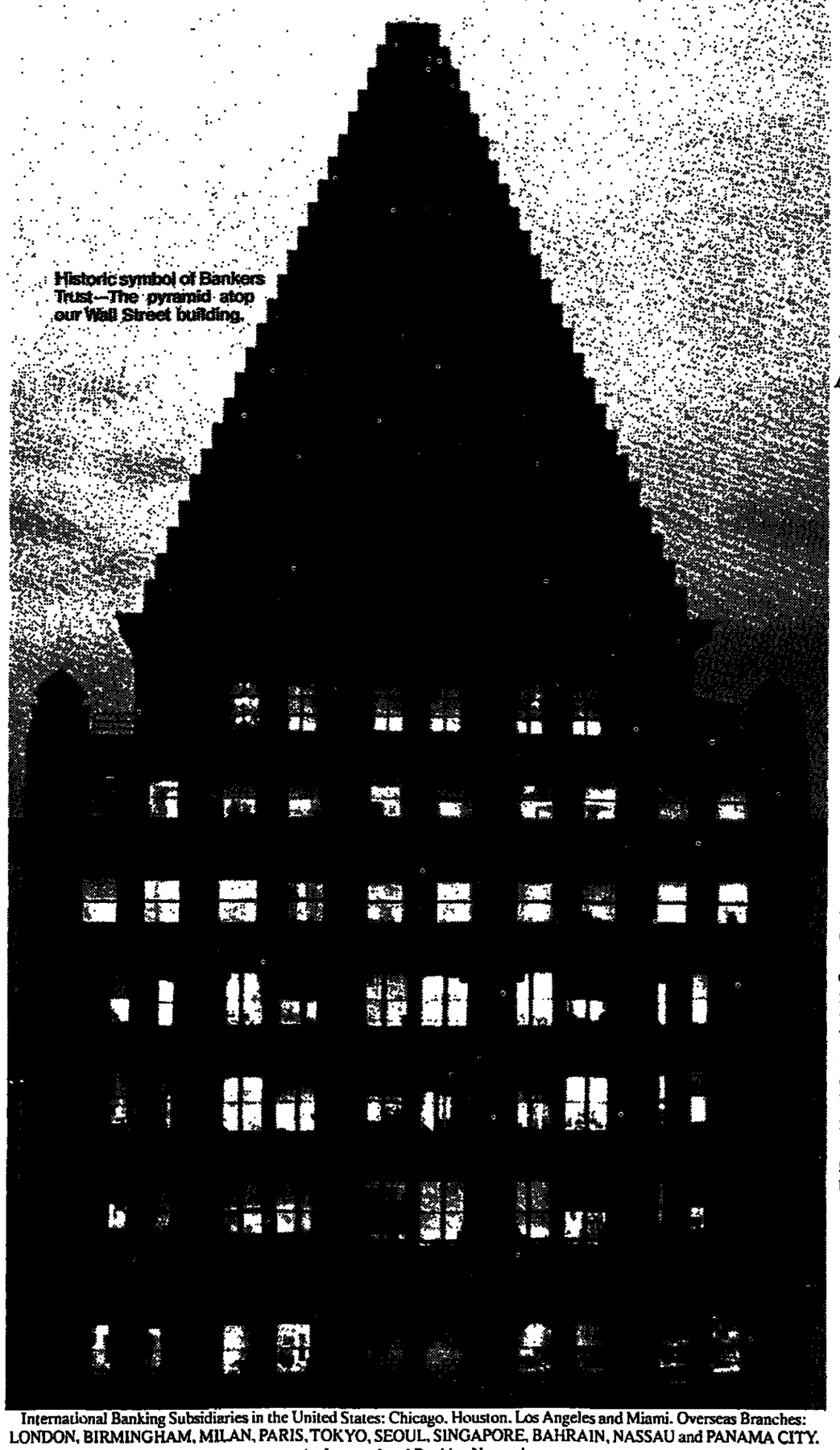
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# Europeans Export Money to U.S.

By Charles Koshetz

NEW YORK (IHT) — One of the major European exports to the United States is money — money to be invested in American real estate at rates of return most U.S. investors would scoff at.

But the low rates of return have not discouraged uncounted billions — uncounted, because anonymity is a key part of many of the deals — from flowing across the Atlantic. Why?

Real estate brokers here are quick to come up with the same explanation — some would call it a pitch. But it has apparently been convincing. They say overseas investors need little convincing because what the U.S. real estate market has to offer is self evident. Political and ideological security and long-term, cheap financing at fixed rates of interest.

Despite U.S. foreign policy difficulties in Iran and Afghanistan, near-record inflation and interest rates and the introduction of variable rate mortgages, the basic attractions still compare favorably to what the European real estate market offers, the brokers claim.

## Foreign Activity

Foreign activity appears to be continuing at a brisk pace. A much higher percentage of the money is being funneled into Manhattan property than in past years. Although at least half of the money is still going to areas other than New York.

In this city, recent purchases of office buildings by foreigners have included the Celanese Building, 75 Rockefeller Plaza and 245 Park Ave. Much of the money is going from European pension funds, which are much more aggressive than their U.S. counterparts in putting money into property.

The deals involve residential and hotel property — the British Coal Board investment in Washington's Watergate apartment complex, for example — as well as that old standby of American suburbia, the shopping center. Here in New York, the Westbury Hotel was purchased by a British group, while Hong Kong interests now own the Warwick Hotel.

Much of the funds flow through the Netherland Antilles, which serves as a tax haven. Where the money originates is not always disclosed, expecially if its comes from such places as Italy, Greece, France and Spain, which restrict the export of capital. On the other hand, Britain, West Germany and the Netherlands are much more liberal.

## Negative Return

Earl Reiss, president of the real estate brokerage and consulting firm of Douglas Elliman Knight Frank (a joint venture of U.S. and British partners), says that foreign real estate investors are ready to settle for annual returns on their money of 6 percent or less.

"They'll even take a negative return in some cases, for instance if the rental leases in a building are expiring soon," he said.

In return, the investors usually demand that title to the ground as well as the building be included in the price.

Many overseas investors are following their own money to the United States, with the result that the New York market for cooperative apartments has been bid up to levels that are astronomical by traditional American standards. Yet brokers insist that foreigners still think prices here are a relative "bargain" compared to overseas.

Inflation, of course, has fired up interest rates, which in turn has triggered tight credit and a burgeoning recession. However, there might be a silver lining behind all the woe, says Mr. Reiss, who points out that the current sliding of interest rates will re-establish some of the U.S. reputation for offering cheap money.

But money will probably never be as cheap as it once was, he warns. And with the introduction of mortgages that can be renegotiated up or down a few points every year, long-term financing will not have the same fixed quality that was taken for granted.

## Plus Side

But on the plus side for investors is the introduction of variable rentals, which rise with the cost of living index.

U.S. banks are expected to continue their tradition of long-term financing, even if the terms will not be as ironclad as in the past. And that is something that overseas banks do not appear to be willing to do yet, at least in any great amounts.

The falloff in rates and the slide of the dollar are expected to help fuel overseas demand for U.S. real estate. But the slowdown in construction threatens to create a shortage of saleable units. High interest rates have choked supplies. While those American property-owners who have substantially paid off their mortgages often are eager to cash in their holdings and invest in high-yielding paper, a great numbers of others, who are still carrying substantial — and relatively cheap — mortgages, see very little advantage in selling.

And after rates come down, further shortages of saleable properties may develop because of the current building slump that high rates have induced.

Because of tight supplies, brokers such as Mr. Reiss do not see any slide in property values. There could very well be a pause in the increase of value. But the basic attractions will still be there, and the migration of overseas money into U.S. land and buildings is expected to continue.

# Debt-Ridden Countries Get Desperate for Cash

By Robert D. Hershey Jr.

LONDON (NYT) — Bankers, the cynics say, make loans only to the well-to-do. Anyone who really needs the money cannot qualify.

If the international banking world ever enjoyed such a secure position, it was certainly not during the 1970s and is not very likely to include the 80s. The soaring price of oil means that dozens of poor, debt-ridden, hand-to-mouth countries are once again desperately short of cash and will be calling for still more help.

The banks, however, find their portfolios nearly saturated with loans to such nations. Mindful of the growing risks, they are already rolling up the welcome mat.

"With balance-of-payments financing needs escalating again, will the banks be able to satisfy most of the demand?" a worried Rimmer de Vries, vice president of the Morgan Guaranty Trust Co. of New York. "There is no room for complacency in this regard just because the banks handled the job so well during the 1970s."

In the mid-1970s, when oil prices quadrupled, the banks were able to absorb with astonishing ease the job of "recycling" the surpluses of the oil producers, taking their deposits and relending them to finance the deficits of the oil-consuming nations. In the process, banks competed so fiercely to make loans that their profit margins shrank and some people were led to speak of "overbanking."

Today, the dollar surpluses of the oil producers are surging again after several years of rapid decline. What are the banks to do with the deposits these surpluses create without making ever-riskier loans that, if defaulted, could topple the system?

The still great but hazardous opportunities in lending to poor countries — and to some emerging powerhouses in South America and East Asia — coincide with much slower growth and realignment in overseas representation. Banks now provide almost two-thirds of the financing needs of the non-oil developing countries, and they have deeply penetrated most of the choicer markets.

The headlong rush to open up new offices in London, the leading international banking center, is over, and though other centers have risen in the Middle East and elsewhere, access to many countries is limited. Restrictions on foreigners is one obstacle. Others are different legal systems, customs and language.

In London, where profitability has been squeezed by a strong pound and a government "corset" on lending, an average of just 11 banks have moved in, either directly or indirectly, during each of the past five years. The gain was only seven during last year.

By contrast, 40 new banks a year came to London during the 1970-74 period when everyone wanted a piece of the fast-growing Eurodollar markets. Their predecessors had been attracted mainly by insurance and shipping business plus access to sterling deposits.

For many banks, the expansion spelled success. Overseas business now accounts for 50 to 80 percent of the profits of the top dozen American banks.

# Traveler's Checks Bounce Back

LONDON (IHT) — As recently as four years ago few banks on either side of the Atlantic were prepared to gamble on a sturdy future for traveler's checks.

The growing international use of credit cards coupled with electronic banking techniques put the checks, for most, low on the list of customer service priorities.

Suddenly, however, traveler's checks have become a subject of great interest brought about by a recognition of the increasing growth and value of international tourism, mixed with high interest rates on credit and waning enthusiasm in rapid electronic advancement.

At stake is a worldwide traveler's check market with an estimated face value of $35 billion and an annual growth potential of between 15 and 20 percent over the next ten years.

It is a stake which not only the market leaders but some hastily devised conglomorates want more action.

But it is a field in which it is hard to gauge individual progress because both rookie and seasoned competitors are playing their cards very close to their chests.

Estimates from various sources show that American Express currently has a lead in the world travelers check market with Citicorp and the Bank of America second and third. Barclay's and Thomas Cook share a majority of the remaining market.

## Credit Cards

Into the fray have come two of the world's major credit card payment systems organizations. Interbank with its Mastercard label and Visa, now pooling its travel check business with Barclay's.

Additionally, a large numb European banks have joined in a new Euro-traveler's scheme. They have formed a European travel check compa purchasing from Midlands, th ent bank of Thomas Cook, Cook's non-sterling travel business and in this way he challenge the dominant Am participants in the field.

The new European conso the aggressive attitude of the lished travel check companie the intentions of newcomers s Visa and Mastercharge are cr ly making Europe the battle g for the traveler's check busine

This region alone offers a mated $5 billion woth of po business, or currently about cent of the global market. An growing.

A major reason is the growth in business and touris fic especially to the United itself brought about by chea travel across the Atlantic a dollar bargain for Europeans.

World Tourism Organizati ures for the past three years shown huge percentage in annually from Europe to America, representing most heavy traffic. West Germany, Switzerland, and the United dom being particularly b markets. Statistics also show high percentage of these visit pure leisure travelers, tho whom the security benefits veler's checks is important.

Business travel itself is significantly. United Kingdo ernment statistics show an in of over 30 percent in business United States last year.

## Much Advertising

Since the credibility of the and the acceptance of his c critical to the market, milli dollars are currently being advertise the various bra checks.

It is inevitable that the will go to those companies acceptability, security and use for the consumer, couple simple and speedy refunds, the day.

Citicorp's European regio ice believes that the availab Citicorp's travel checks more than 40,000 locations wide, their acceptability at of hotels, restaurants, shops line desks, particularly in America, as well as their thorized refund system exc consumer strict criteria for th ket.

"We have invested a great the quality of our traveler's operation to ensure our issue receive the best possible ser Citicorp spokesman said. "A are confident this will pay o current battle for market sha

"When the customer buy her checks, he or she needs t they have a brand acceptable wide, as well as quick should the checks be lost 40,000 authorized refund around the world ordering it without delay upon produc the sales advice receipt, as the use of Western Union offices in the United States t er emergency funds — them 24 hours a day, 365 year — we believe we are o that desired service. We are that our consumer package on the mark."

# EEC Prepared to Soften Account Consolidation

BRUSSELS (IHT) — A recent survey by the international accounting firm of Ernst & Whinney indicates that the European Economic Community could be heading for some compromise on its initially rigid consolidation accounting proposals laid down in the amended version of a Council of Ministers directive published early last year.

The EEC proposals, aimed at introducing mandatory consolidation requirements in all member countries and at harmonizing the consolidation accounting provisions of member states, will most affect member countries with no current consolidation regulations such as France, Italy and Luxembourg. But the proposals also contain a number of features that are generating considerable resistance both within and outside the EEC.

The Commision is under pressure to take a more pragmatic approach through the introduction of more specific criteria into its proposals for identifying groups, criteria which would help identify what exactly constitutes a group.

Second, the requirement that groups prepare sub-group accounts for each horizontal layer has reportedly been watered down by the inclusion of several exemptions, bringing it more closely in line with prevailing international practice and regulations.

Most importantly for groups which are headquartered outside the EEC but have operations within it — especially U.S., Swiss and Scandinavian multinationals — the much-criticized "Community consolidation" requirement is being reconsidered. This requirement calls on all companies operating in the EEC to draw up special consolidated accounts for their subsidiaries operating within the Community.

## Considerable Concern

American, Swedish and Swiss groups have shown considerable concern about the repercussions of this requirement and have made representations to the General Secretariat of the Council of the European Community over what they consider the impracticability of undertaking such costly measures since they feel the resulting accounts would be of little value to management or shareholders of the parent companies.

The American Chambers of Commerce in the Netherlands and Belgium have submitted reports to the Commission outlining their reservations on the validity of the information that would be generated by consolidations within the Community. They support the recommendations of the European Parliament, the Economic and Social Committee and the EEC Accountants' Study Group that the requirement should be replaced by an obligation for companies concerned to include in their worldwide annual reports certain key data about operations within the Community.

Objections to the Community consolidation requirement are numerous and run along the following lines.

First, isolating the EEC — basically a geographical and political unit — from the larger economic and managerial functioning of a worldwide group could prove arbitrary and even misleading.

Second, the legal right of the EEC to impose such requirements on non-member states is not clear.

Third, the requirement is interpreted as discriminating against multinationals registered outside the Community because while they would have to prepare Community consolidation reports, their competitors headquartered within the EEC would not.

Confusion exists over the currency in which Community consolidation reports must be prepared since nine currencies — excluding European Units of Account — are available, and currency fluctuations will materially effect the outcome. The Fourth Directive which sets the reporting parameters of the Seventh Directive dealing with consolidation permits a variety of valuation methods, a fact critics say will make comparison among resulting reports more difficult. Finally, preparing and anditing Community consolidations is thought to entail considerable expense.

## Possible Exemptions

The latest indication is that exemptions may be granted to companies, subject to certain conditions, for example, that the Community companies are included in a global consolidation; that the global consolidation is comparable to that prescribed by the Seventh Directive; that this is verified by the auditors of the global accounts; that these are published by the Community company as required by the First Directive.

Such a solution would mean that most, if not all. U.S. and Swedish multinationals could avoid Community consolidation, although it would not solve the problem for many others, including several large Swiss and Japanese multinationals with EEC investments and who do not produce EEC acceptable consolidations.

On consolidation generally the Ernst & Whinney survey reveals widely differing international regulations and a variety of consolidation practices.

# Recession in U.S. Is Rated Mild by Past Comparison

(Continued From Page 7S)

percentage decline in non-farm jobs in the 1973-75 recession, was only about half as large as in the first postwar recession (1948-1949). The main reason is the shift toward industries that are less vulnerable to recession.

In manufacturing and construction, the risk of losing one's job is greater than in the service industries such as retailing or education. In 1929 two-thirds of the nation's work force was engaged in producing goods, one-third in services. Now it is just the other way around. One third of a nation, in Franklin Roosevelt's phrase, has switched to steadier jobs. This will help alleviate a 1980 recession.

Business cycle records are [illegible] sive on one point: slowdow recessions reduce inflation.

Downswings in the rate of tion that cut the rate by at l percentage points and lasted a year have occurred eight since 1947. Every one of th associated with a slowdown cession and none occurred at times. The downswings wer portant. They reduced the inf rate as much as the inter upswings raised it, and they faster. The downswings a plished in 12 years what the ings took 20 years to bring abo

Price increases tend to and feed on one another wh conditions for them are rig cessions don't provide those tions.

The process is most visible appears first in the markets f dustrial materials like scrap i hides and lumber. Prices that by custom, by contract or by formal administrative proce more sluggish, and so too are in which labor costs are a big The most comprehensive indexes, like the Consumer Pr dex and the G.N.P. deflater, r these sluggish prices, and they are likely to lag behind t velopments to which they are ing.

The continued advance overall inflation rate into the months of 1980 can thus be v as a response to the unusually upswing in economic activity preceded it, together with in companying easy monetary credit conditions. With credit easing and a slowdown turning recession, prices in some ma are beginning to soften, cost-s moves by business enterprise taking hold, and profit margi being shaved.




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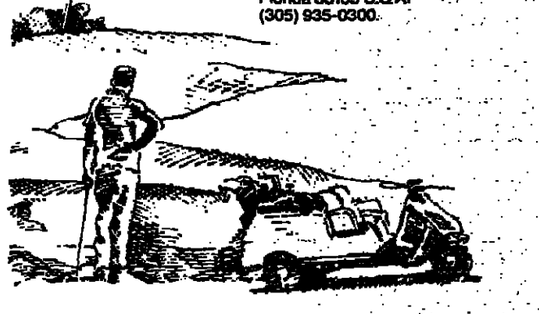
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# utsiders Have to Hustle in Texas

Robert A. Bennett

TON (NYT) — Signs of a ming economy are what Austin sees as he peers the window of his eighth-ice in the ultramodern 1100 Milam Street.

Houston, and skyscrapers in every direction. One of s will eventually reach 75 nd another will be 49. Both built by Houston banks, n's competitors.

r. Austin, a vice president nkers Trust Co. of New one of the many outside who have come to Houston eir fortune. He is an engi-rofession and a banker by not an unusual combina-exas, where the soundness often depends on techni-ise in oil and gas produc-

n out-of-state banks and n banks also have opera-e, each hoping to get a the business of the thou-relatively small companies louston's energy industry.

## Expectations

f those that came here ex-uick growth and easy prof-eling the rapid expansion profitability of local ve been disappointed. But more moderate expecta-tions seem satisfied with their venture into the Southwest.

For banks, the secret of success in Houston depends on an ability to gain a foothold in financing the needs of the region's small-to medium-size companies that cater to the energy industry. These companies generally pay more for their loans and demand less compensation for their deposits. As long as a bank has the necessary technical expertise required in lending to industry, a strong position in this so-called middle market almost guarantees rapid growth and high profitability.

But out-of-state and foreign banks are at a severe disadvantage. Federal law prohibits them from offering a full-range of banking services.

The non-United States banks here merely operate so-called representative offices and are not permitted to do any actual banking. Out-of-state American banks here operate under a variety of rubrics; some have representative offices, some have loan production offices and some offer limited banking services under a complex federal law called the Edge Act. None of them, however, may accept deposits at Texas offices. Deposit services are crucial for all companies, but especially for middle-size companies, whose business requirements tend to be largely within the state.

To woo the business of local concerns, the foreign and out-of-state banks have to provide services designed to capture the nascent national and international financial needs of these companies. In many cases, these needs are substantial, but seldom are they so great as to place an out-of-state bank in a prime position.

"If you're in Houston and lending to the middle market, you have to be in energy," says Jay Crager Jr., executive vice president and chief financial officer of Allied Bancshares Inc.

As a result of the high level of technical expertise required to make loans in the energy field, many foreign banks have raided manpower from local banks to staff their Houston offices. "Retaining manpower is the greatest problem facing our banks," said A.J. Elkins, chairman of the First City BanCorp. of Texas, the largest Houston-based bank holding company in the state.

Texas Commerce Bancshares, the second largest, recently lost two officers to foreign banks that opened offices in Houston.

One of the bankers, who had been with Texas Commerce for a decade and with the Gulf Oil Co. before that, joined the Houston office of Credit Suisse, one of Switzerland's Big Three commercial banks. The other banker, who had been with Texas Commerce only a year, was hired by the Barclays Banking Group of London to open its Houston office.

Recruiting local bankers helps, but most of the out-of-town bankers stationed here say it is not enough.

## Middle Market

"We can't go out and try to take over the business of the local banks," said Rick Copeland, who heads Citibank's office here. "Our business mainly supplements what the local banks are doing. We can't displace them."

The foreign banks, particularly the Japanese banks, have a special problem, according to Texas bankers. "Each foreign-bank manager comes here for three years, and it takes him six months to get acclimated to the overall environment, not to mention how long it might take to learn the language," a senior officer of a Houston bank said.

Getting used to Houston can be a challenge for Americans as well as foreigners.

"I've been down here eight or nine months, and it's a shock, not altogether a good one," Mr. Austin of Bankers Trust said as he glanced up at color photographs of oil rigs, the only adornments on the stark, white walls of his office and a constant reminder of his new environment.

But the displaced New Yorker recalls that "the three guys before me in this job said the same things" and all three eventually came to love Houston, leaving Bankers Trust to join local banks.

As his eyes turn to the construction going on outside, Mr. Austin wondered aloud how long it would take him to become "Houstonized."

# *nancial Futures Signal Key Reversal*

H.J. Maidenberg

YORK (NYT) — The fu-es markets for financial in-s apparently anticipated billion increase in the na-oney supply last week, as lerwent an abrupt reversal y.

the Federal Reserve Board ed its weekly figures, the the spot June Treasury bill ad plunged the daily per-limit of 50 basis points, int representing $25 per of $1 million. Considering speculative initial cash mar-red to carry a Treasury bill is about $1,000, many of th long positions should be alls for additional margin ning.

e week, June Treasury bill losed at 90.89 ($908.90 for 000 of face amount), down s, or $625, a contract. The the equally sensitive spot asury bond futures also re-ourse Friday, closing down at 78 7/32. Each 32d of a n Treasury bonds equals per contract of $100,000. t Treasury bond delivery nning 2 3/32, or $2,093.75, week, substantially more required initial margins in ket.

et analysts said there were leaks from the Fed. They ese "interest rate futures" come most sensitive baromthe money market as well as ltimate commodities" be-eir prices reflect the actual money.

## Major Reversal

dday last Thursday, Donald in, market strategist in the d commodity accounts de-t at Merrill Lynch, Pierce, & Smith Inc., said: "The in-te futures are clearly signal-ajor reversal. Treasury bill asury bond prices are going k today; everyone in the Street knows the money is going to be increased significantly."

By the close that day, Treasury bill futures prices were down the daily permissible limit of 50 basis points, and Treasury bonds plunged their limit of two full points.

Discussing the reversal in interest rate futures, Mr. Selkin said: "These financial futures are the most sensitive indicators of money market conditions because dealers in Treasury issies, bankers, insurance companies, pension funds and other institutions are increasingly using the futures as hedging mechanisms. Thus, the slightest changes in portfolios and buying and selling patterns are immediately reflected in financial futures prices."

Looking at his interest rate charts, Mr. Selkin noted that when the Federal Reserve further tightened credit in early February as part of its anti-inflation campaign, which sent interest rates soaring, prices of all financial instruments fell and their yields rose accordingly as investors took advantage of higher-yielding competitive debt issues, such as commercial paper and money market funds.

## Debt Issues

As a result, Treasury bill prices plunged to the point that the 90-day paper produced a record yield of 15.7 percent. Because bills carry no interest are are sold on a discount basis from face value, a yield of 15.7 percent meant that these debt issues were selling as low as 84.30 cents on the dollar.

Another factor that was slashing prices of Treasury bills then was that the cost of financing positions was between five and seven percentage points above that record yield, the prime rate then being as high as 20 percent.

But by late March, Mr. Silkin recalled, institutional and other investors found indications that the Fed wanted to halt the rise in interest rates, perhaps so as not to strangle the economy. The money managers then rushed back to buy Treasury debt issues to lock in the then-high yields because they saw the demand for credit was slackening and competitive rates dropping. The result was that Treasury bill prices, for instance, took off in a straight line upward, with yields plunging accordingly.

In a recessionary climate, Mr. Selkin pointed out, "there is usually a flight to quality because a shadow of doubt tends to spread over the i.o.u.'s issued by private corporations."

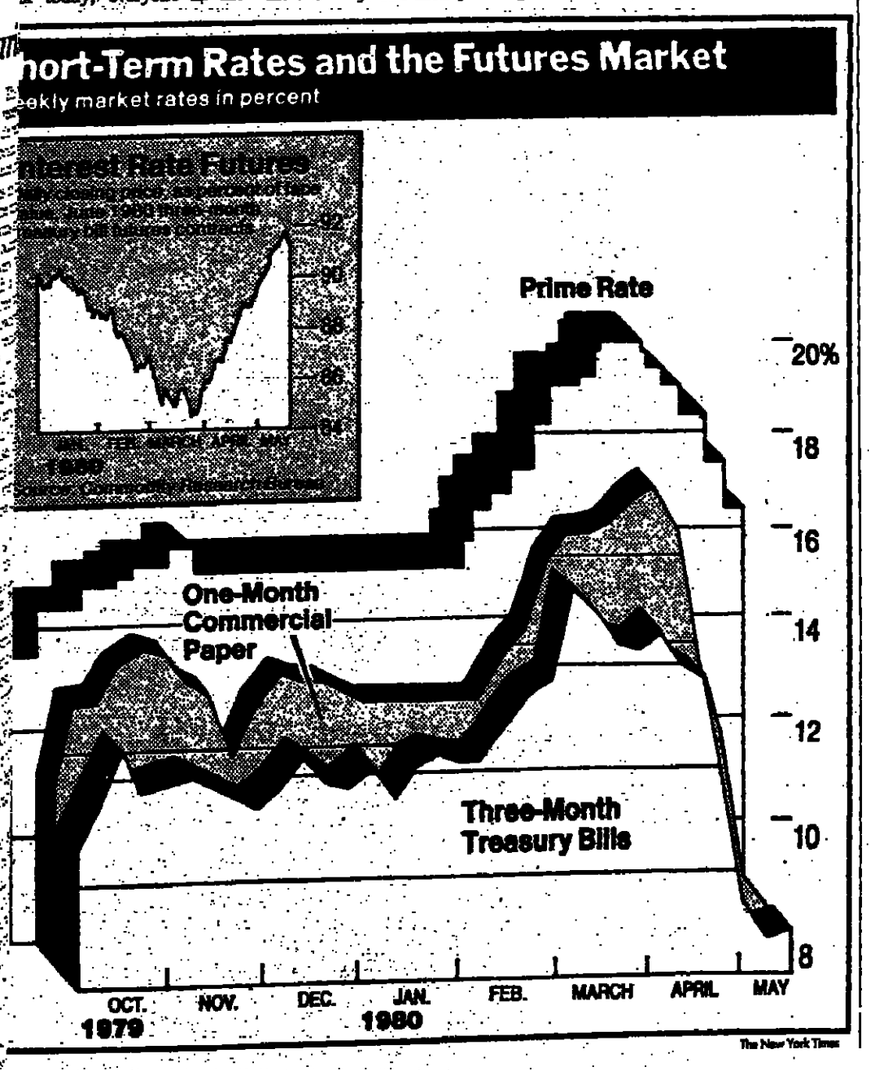
## Money Managers

Then, two weeks ago, the money managers, who are responsible for placing billions of dollars at the best available yields, sensed that the precipitous record drop in interest rates was drawing to an end for the time being because the Fed was preparing to inject more money into the sagging economy, which could revive the economy and demand for credit.

If so, it meant that the institutional and other investors could soon be rushing out of Treasury debt issues and into competitive yielding instruments. Late last week, the plunging prices of Treasury issues supported that view; so did the record rise in the money supply announced after the close Friday.

Mr. Selkin observed that his recounting of the recent trends in interest rates only touched on the main points of what is a highly complex market. "For example, we saw short-term rates far above those on longer maturities, which is a definite aberration," he said. "Now we are seeing the yield curve return to a more normal pattern, signaling that future rates will be higher than current ones."

The Commodity Research Bureau index of futures prices closed last Friday at 267.9, off from 268.9 a week earlier. The index stood at 243.6 a year ago.




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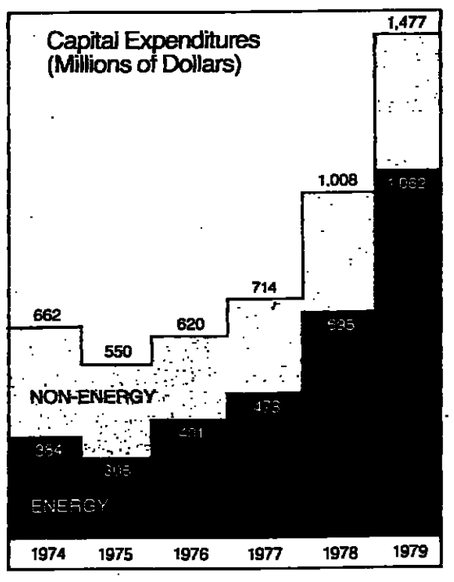
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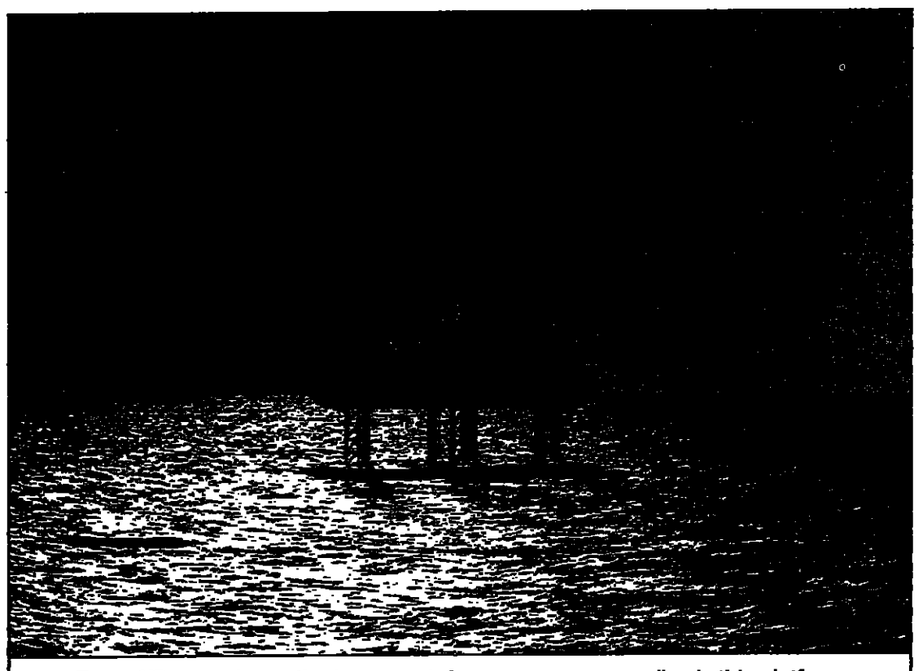
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Our energy record for 1979—increases in oil and natural gas production and full replacement of reserves produced, plus success in adding new sources of supply for our natural gas pipeline system—points to our expectations from these additions and projects. And we expect our energy investments to grow even more in 1980.

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### Threat to 'Very Financial Fabric'

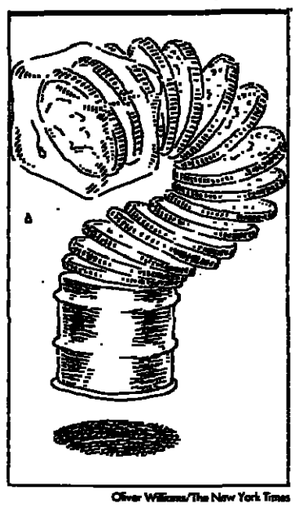
# Curbs Seen After Silver Collapse

By Clyde H. Farnsworth

WASHINGTON (NYT) — Controls over commodity speculation, probably in the form of federally set margin requirements, could emerge in the wake of the silver collapse, which, as one regulator put it, "threatened the very financial fabric" of the nation.

Congress, the exchanges, the regulators and the administration are all involved in the debate over ways to deal with this arcane sector of the financial markets.

The Commodity Futures Trading Commission is divided over how to proceed. But an initiative has just been taken by Sen. William Proxmire, chairman of the Banking Committee, which may well be one vehicle for reform. The Wisconsin Democrat's bill, just introduced, would give the Frederal Reserve Board authority to set minimum down payments for futures trading in gold, silver, Treasury bills and currency. A companion bill in the House is expected from Rep. Fernand St. Germain, Democrat of Rhode Island.



Oliver Williams/The New York Times

Also some recommendations may soon come from a new committee of the Treasury, the Federal Reserve Board and the Securities and Exchange Commission.

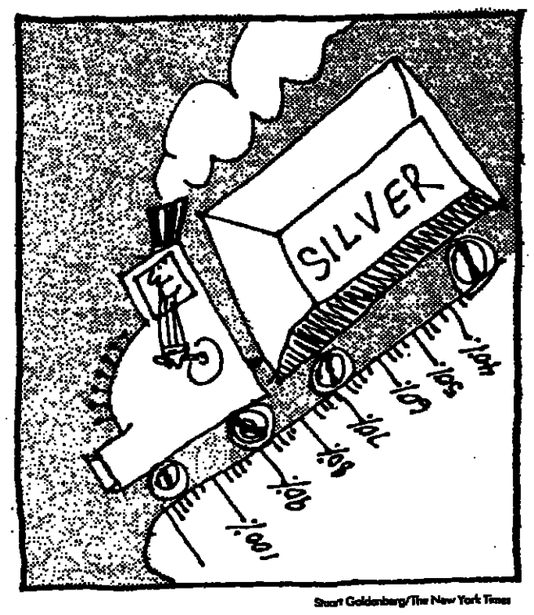
Margins on commodities — normally about 5 percent, compared with 50 percent for trading in securities — are traditionally reduced to expand the volume of business and raised to dampen speculation. One reason why they are kept low is the competition among Kansas City, New York and Chicago markets. Another is that the users and producers of commodities often deal in futures to insure against unexpected price fluctuations, and the feeling is that this insurance should not be too costly.

Tougher controls are being sought not only because of the Hunt brothers' silver fiasco but also because of worries in the Treasury that the market in Government securities could be disrupted by speculative activity in Treasury bills.

#### Some Disappointment

There is some disappointment on Capitol Hill and in the administration over the attitude of the Commodity Futures Trading Commission in facing the issues. James Stone, the agency's chairman, argues for greater Federal regulation, but he is challenged by the three other commissioners — Read Dunn Jr., David Gartner and Robert Martin.

The White House has been unable so far to fill the post of the fifth commissioner, vacant for the last year. By law this nominee has to be a Republican. The latest prospect has been Jamie Wade, deputy insurance commissioner of Iowa.




Stuart Goldenberg/The New York Times

# New York State Weighin Foreign Bank Restrictio

By Robert A. Bennett

NEW YORK (NYT) — State banking officials are considering new restrictions on the ability of foreign banks to establish branches in New York as a result of the recent failure of an Argentine bank and the refusal of the authorities in Argentina to guarantee that creditors and depositors of the New York branch will be paid.

The bitter dispute that has erupted between the New York State Banking Department and the authorities in Argentina raises a fundamental question of who should be responsible for the depositors and other creditors of foreign-owned bank branches and subsidiaries. The question raised is: Should it be the authorities in the country where the branch or subsidiary is situated, or should it be the authorities in the country where the parent bank has its headquarters?

New York's large foreign banking community is especially concerned because it is currently engaged in a dispute with the Federal banking authorities over how much information foreign banks with branches or subsidiaries in the United States should be required to disclose to the Federal Reserve System about their activities outside the United States.

Under the International Banking Act, which became law in the fall of 1978, the Federal Reserve must obtain sufficient information about the total activities of any foreign bank that has a banking office in the United States to determine the basic soundness of the overall banking group.

#### Difficult Issue

The Federal Reserve recently issued proposals that many foreign banks, and even foreign central banks, have criticized as too demanding, according to Serge Bellanger, chairman of the Institute of Foreign Bankers in New York. "It is a very difficult issue," Bellanger said Thursday. The institute represents 183 foreign banks with offices in New York.

Mr. Bellanger, who also is executive vice president and general manager of the New York branch of Credit Industriel et Commercial of France, indicated that many foreign bankers in New York feared that the recent failure of the Argentina's Banco Intercambio Regional and the refusal of the Argentine authorities to accept responsibility for any claims on the New York branch would toughen the Federal Reserve's stand in respect to the reporting requirements.

The authorities in New York, who took possession of the branch following the collapse of the parent bank in Argentina, say th branch itself appears to be liquid and that if the Argenti ernment were to guarantee p of any unforeseen obligatio New York depositors and cr could be paid with the branc isting assets.

Deposits at the branch am to $3 million to $4 million. I tion, the branch had $7 mil $8 million in outstanding le credit. These are compara guarantees. The banking ment says the branch has ab million in assets with which t its deposits and other oblig including about $15 million due from other banks in the States.

#### Branch's Books

The department is con however, that other obligatio turn up that were not recor the branch's books. It is al cerned because two banks, t tle-First National Bank and dentified German bank, ha to court seeking to atta branch's assets to offset los had extended to the parent Argentina.

If the courts were to allo attachments, the banking ment fears that other credi the parent bank would take action and the New York could be eaten up before th York creditors were fully The banking department ready paid off some deposit it is worried that the court eventually hold the state re ble for using the funds alrea out to reimburse other cred Banco Intercambio.

The banking department nally tried to sell the bran several domestic and foreign including three from Argent fered to buy it. If the bran merged into another bank, positors and other creditor be repaid immediately. But the prospective purchaser willing to assume the open- ability.

Jose Martinez de Hoz, na's finance minister, said der Argentine law he did n the authority to guarantee p to creditors of foreign bran failed Argentine banks. such a guarantee, according riel Siebert, New York State intendent of Banks, the bran not be sold.

"I don't want any minus positons in New York," Siebert said, adding that she seek measures that would full protection to all depos the state.


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# Many Foreign Investor Are Wary of Wall Stree

(Continued From Page 7S)

Also on the potential buy lists, he said, were banking and financial company shares, high technology stocks, and what is becoming a popular standby for foreign investors, natural resource and energy stocks.

"I think people want to buy," said Maurits Edersheim, deputy chairman of Drexel Burnham Lambert. "But there hasn't been any trend developing for the last four to six weeks."

Every time things seem right, he said, something bad happens. In recent weeks, for instance, the good news that the stock market recovered much of the ground it lost since February was cancelled by the bad news about the sliding dollar.

Peter Tanous, chairman of Petra Capital, an advisory firm for Middle Eastern clients, was optimistic on the outlook for foreign purchases of U.S. equities.

#### Dollar Woes

Despite the near-term woes of the dollar, he said, "most foreigners believe the U.S. dollar is in an uptrend, and I agree with them."

The economic slowdown will improve the U.S. balance of payments and cut into oil imports, providing a boost for the dollar, he said. With the currency-risk factor removed, investors should be able to take advantage of what he termed the fundamental strength of the stock market.

"When interest rates go down, the market usually goes up," Mr. Tanous noted.

To this, he added another positive factor of sorts. If the recession gets bad here, it'll probably be worse overseas. The U.S. should always be "relatively" better nally, he said, no other stock market could match th ty of wares offered by Wall S

"You can buy a General or retail stock anywhere," "But you can only McDonalds or Walt Disne U.S."

If the slide in the dollar ha U.S. stocks even more of gain" to foreigners than the Americans, it appears that going to be a lot of sales re on the part of overseas inves

#### Gutted Portfolio

The dollar's drop has gut portfolios of many foreign tors, Mr. Bodenberg noted point where they can easily gift horses in the mouth. A eign investors appear to be ferent from their Yankee c parts when it comes to being sit on the fence and wait for to be well-developed.

"It's not where things are moment that counts when an foreign purchases," said Judy ingham of the Securities In Association, Wall Street's pr trade group. "What counts perception of which direction are moving in."

And the direction — or same — is not only seen as from the floor of the Ne Stock Exchange, but from W ton as well. U.S. analysts-a kers ask the question they foreign investors are also Can the people who appear tual in dealing with Iran ghanistan handle the econo and in an election year.


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**nd the Film**

# e Realities of 'Hide in Plain Sight'

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**k Res**

rr A. Bern

Judy Klemesrud

LO, N.Y. (NYT) — At end of the highly ac- ew film, "Hide in Plain vo young children who ed away from their father eral goverment are happi- d with him after he spent searching for them.

life, the search took eight the ending wasn't so hap-

ther events in the film are ay they really happened, t still, the man on whose es it is based, Thomas , a balding 40-year-old nason who doesn't look like the film's star, James he is pleased with the m turned out.

ly got a chance to tell my onhard said recently over of spaghetti and meatballs by his 41-year-old second ne, in their modest rented use in the Buffalo suburb st. "Before, a lot of people ght I was crazy to keep or my kids and to keep ourt," he said. "But now, em think I was right."

at the recent premiere of here, Leonhard was be- autograph-seekers. The nnered, self-effacing nason, whose take-home 50 a week, is one of the roes in Buffalo since O.J. "Tom is in the newspa- more than Jimmy Carter," wyer, Salvatore Martoche, the case after several yers turned it down be- Leonhard's poor financial

and's two children, Mi- n 7, and Karen, 6, van- June, 1967, along with his Rochelle, and her new Pascal (Paddy) Calabrese, ted armed robber whose helped send several orga- me figures to prison.

**Pleas Unanswered**

n't until a year later that l, whose pleas for informa- e police and the FBI went red, finally learned what ened to his children. They her and Calabrese had ated and given new iden- part of the federal govern- en-new witness protection

ard, impoverished by the s ex-wife had left behind eral job layoffs, spent the t years going to state and ourts ("I must have been in hundred times") trying to find his children. The New York State Supreme Court awarded him custody of the children in 1971, but repeated attempts to force the federal government to produce the children were in vain. In 1973, the United States Supreme Court refused to review the case.

During this time Leonhard wrote letters to his children, which were forwarded to them by Thomas Kennelly, who headed the Justice Department's organized crime strike force in Buffalo. Twelve letters went unanswered, but the 13th elicited a response from Rochelle Leonhard Calabrese: "In no way shall I ever allow him to see the children. They know of no father other than the father they have now."

Then, in an unexpected dramatic twist, the children's mother called Martoche on July 4, 1975. "I'm splitting from my husband," she said, adding that she was living in Reno and wanted Leonhard to see the children as soon as possible. A few weeks later, he and his wife, Joanne, whom he had married in 1968, were on a plane to Nevada for a tearful reunion with the children.

At the end of the film, Caan takes the two young children back to Buffalo, where they supposedly live happily ever after. But in real life, the children, who were really 14 and 15 when reunited with their father, visited with Leonhard for the rest of the summer, and then decided to return to their mother, who has since remarried and works as a secretary in Reno.

"Their mother more or less dragged them back; she put constant pressure on them to come home," Leonhard said evenly. "And the kids didn't like all the rules I set for them. I was a little stricter than their mother, and they didn't like that."

"We still love each other," Leonhard added, "but I was new to them, I was a stranger, and we didn't have that closeness of everyday things that parents normally have with their children, things like taking your son to a ball game, or seeing him graduate from high school, or seeing your daughter's first date, or watching her dress up for the prom."

**Sued Government**

Because he missed that closeness, Leonhard sued the federal government for $10.5 million in damages for depriving him of the right to "raise, rear and nurture his children." A federal judge dismissed the suit last year, and it is currently being appealed in the Second Circuit Court of Appeals in New York City.

Today, Michael is a 20-year-old ski instructor who teaches the blind how to ski, and he is also studying business at the University of Nevada in Reno, Leonhard said. Karen, 19, a bank cashier in Reno, was married last summer to a commercial artist, he said.

"I'm in all reality closer to Gina," he said softly, looking across the kitchen table at his wife's dark-haired 17-year-old daughter by a previous marriage, whom he subsequently adopted. "I brought her up my way. And when she had her first date or problems, I was there."

Does Leonhard have any complaints about the way he was portrayed in "Hide in Plain Sight," which is said to be a "dramatization" rather than a true account?

"I think they did a good job showing the average blue collar worker who represents this town," he said, "the guy who goes to work, drinks a few beers, goes bowling, plays softball and minds his own business."

He added that James Caan "machoed up a lot of things," including a scene where he hits the actor portraying Calabrese with a shovel and another where he repeatedly backs his car into a fancy sports car owned by an arrogant opposition lawyer.

"I never did those things," Leonhard said softly.

He also said he wanted to make it clear that he never made his second wife, Joanne, pregnant before he married her, as the James Caan character does in the film. "When I read the script, I thought, 'Why the heck did they put that in?' " he said. "Joanne always tells me, 'Make sure everybody gets it clear that that didn't happen.' "

Nor did a Mafia member follow him in a car and try to get him to reveal where his children were, as happened in the movie, Leonhard said. "The Mafia never bothered me in any way," he said.

So far, the film and book based on Leonhard's experiences have not made him a rich man. He made about $20,000 on the book and film deal, and he will get 1 percent of the producers' net receipts. He also got $15,000 from the film's opening night benefit in his honor. From these amounts he has paid Martoche about $5,000 in legal fees and $8,000 in expenses, the lawyer said.

But it isn't the money that matters, Tom Leonhard insists. What matters, he said, is getting his story told, so it won't happen to anybody else. "This is still the best country in the world, let's face it," he said. "But I was done wrong. The government does a lot of good things and a lot of bad things, and maybe some day I'll get an apology from the president for myself and my children."



Joe Traver, The New York Times

Tom Leonhard, his wife, Joanne, right, and her daughter, Gina.

**The London Stage**

# 'Mother Dear' Brings Back Royalty

By Sheridan Morley

LONDON, May 21 (IHT) — At the Ambassadors, "Mother Dear" marks Royce Ryton's return to the family that gave him such a success with "Crown Matrimonial." That it happens to be the British royal family is of course the whole key to the formula. Were he writing about a generation of Hapsburgs or a family in which Aunt Minnie did not turn out to be the dowager empress of Russia, we'd have soap opera instead of comic opera.

As it is, having taken us through all the tears and laughter of the abdication in his last royal romp, Ryton now takes us back a generation or so into the world of Queen Alexandra, who appears to have been considerably less loveable than all those charity flag days might suggest.

So determined was she to keep her children in general and specifically the young Princess Victoria close to her royal train that she took to mental and emotional kidnapping. Victoria could not marry the widowed Lord Rosebery because, said Alexandra, he was clearly suffering from venereal disease just like all those other horribly sexy friends of her horribly sexy husband, King Edward VII.

Being both royal and dead puts you about as far from a libel claim as it is possible to get, and it may well be that Ryton is in any case a better historian than he is a playwright. But lines like "Your leg — it is worse?" and "We are on the verge of a scandal — there are all sorts of rumors" do not entirely inspire confidence, and the overall result resembles nothing so much as a high society farce rewritten by Hedda Hopper.

Margaret Lockwood plays the title role as if substituting for Anna Neagle, which is a pity, because it gradually becomes clear that Ryton has the makings of a very black comedy about demented goings-on at Sandringham, one which we really only reach in the play's closing moments, by which time it is almost too late.

In Frith Banbury's typically immaculate production, Polly James manages some touching moments as the imprisoned daughter, but the others in the cast appear to be rehearsing for appearances at Madame Tussaud's. All the same, I think I detect a tourist money-maker here; perhaps the royalties should go to royalty.

* * *

Apart from the fact that "Harlequinade" is a terrible little play which in the interests of Terence Rattigan's posthumous reputation ought to be banned, and apart from Alec McCowen's being catastrophically miscast as Crocker-Harris in "The Browning Version," there is not a lot wrong with Michael Rudman's production of this double-bill on the National Theatre's Lyttleton stage.

It is shameful that it should have taken 15 years to get Rattigan into the National's repertoire. Instead, however, of going for a major work, they have gone for the "Playbill" double and killed it stone dead by a casting error so fundamental that not even McCowen's superb talents can rise above it.

Briefly, the problem is this: "The Browning Version" can work only if Crocker-Harris can be imagined as "the Himmler of the lower fifth." In order for there to be a play, you have to believe that boys could conceivably either fear or hate this man: McCowen, about as fearful and as hateful as a giant panda, is Mr. Chips from the first moment and the play totally loses its credentials. Here is no petty, soulless tyrant married to a snobbish and vindictive wife, but a man of infinite grace married to a lady (Geraldine McEwan) apparently only recently emerged from a J. Arthur Rank 1940s charm school.

This is a play about hatred and failure, about the defeat of a man and the death of a marriage, above all about the cracking of the stiff upper lip and about the destruction of the soul that can be caused by school and by sex. All that seems to have eluded Rudman (an admirable director here on foreign territory) and the result is safe but subdued.

Crocker-Harris' breakdown when a child hands him the beloved Greek translation of the title only makes sense if we have been shown a man in utter isolation and desolation.

The current evening's only real success is Nicky Henson, who goes from the science master of "The Browning Version" (a performance he too is inclined to play for charm rather than its inherent nastiness) to the henpecked stage manager of "Harlequinade." This is Rattigan's minor backstage joke, a desperately overextended Garrick Club charade about an overage Romeo and Juliet on a tacky tour, a joke instantly clobbered here since they have a set by Carl Toms that would not have disgraced the Comedie-Francaise in the time of Napoleon III.

"Harlequinade" runs an hour and would seem overextended at 30 minutes. As half of an evening at the National it looks both lightweight and flyblown and a kind of desperation sets in about midway through, as if they were rushing to get to the final curtain before the joke runs out altogether, which it promptly does.

There is one moment of sheer, unalloyed delight, featuring Nicky Henson having to fight a duel with his forefinger, standing in swordless for some long-absent extra, but having him then repeat the sequence three times kills even that very funny idea.

**Restaurants**

# Californians in Cannes Get Their Own Canteen

By Thomas Quinn Curtiss

CANNES (IHT) — Patrick Terrail, who very successfully took a bit of France to America a few years ago, has temporarily brought it back. Terrail, the owner of Ma Maison restaurant in Los Angeles, has set up a Riviera branch of his popular California restaurant during the Cannes Film Festival.

Ma Maison's makeshift Mediterranean counterpart, in a wing of the turreted Chatean de La Napoule, a 20-minute drive from Cannes, has become the in-place for visiting stars, directors and writers — a bit of Hollywood away from Hollywood. At its tables can be seen Terence Young, Petula Clark, Leslie Caron, Irving Lazar and Kirk Douglas. The seaside chatean, surrounded by gardens and lawns, is of 15th-century design but was built just after World War I by a millionaire Philadelphia artist Henry Clews.

At 37, tall, dark and with the turned-up nose supposed to typify the true Parisian, the Paris-born Terrail explained how he had managed to get such a spectacular location. "Louis Outhier offered to share his kitchen at L'Oasis [a three-star restaurant in La Napoule] and his chef and assistants," Terrail said. "But I wanted my own showplace, and the chatean caught my eye. After Clews' died in 1954, it became a seminary for art students. But instead of studying the students gave wild parties and got stoned. The police raided the chateau and padlocked it. I wrote to the Clews Foundation and once the directors were assured my offer was respectable, they agreed to let a wing for my restaurant."

Terrail, who has a degree in hotel management from Cornell and speaks impeccable American English, comes from a celebrated clan of Paris restaurateurs. His great-grandfather founded the Cafe Anglais, the Second Empire haunt of royalty, society and literati, and his uncle, Claude Terrail, is the owner of the Tour d'Argent in Paris.

Terrail has mixed feelings about his name. "Sacha Guitry said he was born with a famous last name but had to create his given name," he said. "That's what I've been trying to do and it hasn't been easy or overnight. If you have a magic family name everyone expects immediate results. If they don't come fast, people think you haven't inherited the spark. A famous name is half blessing, half curse."

After working in such Manhattan restaurants as the Four Seasons, Raffles and the Forum and a stint as an aide to John Mills, the Englishman who tried to revive the El Morocco nightclub of prewar New York, Terrail decided to open a restaurant of his own. "Seven friends chipped in $5,000 each to finance a bistro in Hollywood and I opened Ma Maison in 1973," he explained. "It was no go for two years, just another restaurant. Something had to be done or I was going to be out of business. I went to France to look for a superlative chef. I found one, Wolfgang Puck, an Austrian who had worked in the great French kitchens. That turned the tide. I told some friends about my discovery. They brought their friends and those friends brought others. Before long it was the chic new place, the place to be seen, the place where the big deals are transacted."

But hasn't diet mania discouraged good eating in the United States? "No," said Terrail. "It's true that the best-selling books in America are those on diet at the moment. But the second-best-sellers are on cuisine. The public *is* diet-minded, but food in first-rate restaurants has become diet-oriented. *Nouvelle cuisine*, like it or not, has influenced modern cooking. People want balance. Junk food is turning teenagers into obese monsters, but it would kill any gourmet's appetite just to read the menu of an Edwardian banquet today."

Terrail made his first professional appearance in Cannes three festivals ago when he catered a supper after the showing of "That's Entertainment." He served barbecue with California wines. "I got that idea from an experience I had in California," Terrail said. "Several French food critics visited Hollywood and I was obliged to give them a dinner. I didn't know what to serve that would be new to them. So I had the food sent in from MacDonald's — hamburgers and beer. They were delighted. They had a wonderful time."

**Festivals**

# ome Principal Stops on the Summer Jazz Circuit

S (IHT) — Following is a of some of the more inter- azz festivals in Europe this , with program highlights, nd addresses where further tion may be sought.

* * *

**n Inv**
**Wall**

(May 23-27): This avant-garde festival is held in a park near the castle of n ecologically sound oasis in the f the Ruhr. However, this year ry, Benny Wallace, George Rus- Ensemble of Chicago, John Tchi- s Blood Ulmer, Anthony Braxton, stbrook and are joined by a fear- nonial to the past, Mingus Dynas- ramm der Stadt Moers, D-413 West Germany.)

* * *

(June 6-8): No mind-blowing of big stars, but an interesting as- of players musicians respect; Barompson, Barry Altschul, Cedar illy Higgins, Alan Skidmore, Ed- ez, Yosuke Yamashita, Pharoah and so on. (AsTa-Uni-Munster, z 1, D-4400 Munster, West Ger-

* * *

June 16-19): Though modest in the Festival du Marais presents a selection of European jazz. The mano Quartet, Anachronic Jazz d Singer Sextet (featuring the new star Longineu Parsons), the Fran- nean-Katia Labeque and Christian Rudolf Dasek duos. Concerts at a Gare, 41 Rue du Temple, Paris 4, du Marais, 68 Rue Francois- 5004 Paris.)

* * *

use (Paris), June 19-21: Stu Mar- y Louiss, Pharoah Sanders, Cecil epper Adams, Abbey Lincoln and hepp on the skating rink of the asous Center for Commerce and (Tickets at FNAC stores; Informa- 233-5191.)

* * *

berg (June 19-22): Jazz Ost-West a cultural confrontation of more sing interest, a good illustration of lunotary music. Aladar Pege, Hun- aster bassist; Emil Viriickey from Czechoslavakia; and Dusko Goykovic, Yugoslav trumpeter, meet the likes of Ron Carter, Albert Mangelsdorff, Pat Metheny, Kenny Burrell and Paul Motian. (Walter Schatzlein, AM Stadtpark 75, D-8500 Nuremberg, West Germany.)

* * *

Kongsberg (June 25-29): Is there one jazz musician who will not be in Europe this summer? Brecker Brothers, Nat Adderly, Dave Liebman, Art Blakey big band, George Coleman (an under-acknowledged master of the tenor saxophone), Johnny Griffin (an acknowledged one), Art Pepper, Art Ensemble of Chicago. (Kongsberg Jazzfestival, Boks 91, 3601 Kongsberg, Norway.)

* * *

Velden (July 4-6): This festival has built a strong reputation in the few years of its existence; 1980 looks to be better than ever, with John McLaughlin, Stanley Clarke, B.B. King's blues band, Freddie Hubbard, Gato Barbieri, Muddy Waters' blues band and the former Basie singer Joe Williams. (Jazz Festival Velden, Postfach 210, A-1011 Vienna, Austria.)

* * *

Montreux (July 4-20): Everything but the kitchen sink in what used to be a classy, tidy affair. Hard rock; Drum Summit with Chico Hamilton, Tony Williams and Art Blakey; New Wave rock; Tribute to New Orleans; Big Band Night; Come Back To Africa Night; a package called Seabreeze, including Claude Williamson, Roy Haynes, Ralph Towner and Warne Marsh; Four Continents with Dizzy Gillespie and Toots Thielmans; and Wallace Davenport, Santana, Mongo Santamaria, Miriam Makeba, Elevis Costello and so on. (Montreux International Festival, Case 97, CH-1820, Montreux, Switzerland.)

* * *

Bracknell (July 4-6): A selection of real ale will be served as well as a range of food from cheap and filling to bizarre and exotic. Plus music by Ian Carr's Nucleus, Pat Metheny, London Jazz Composers Orchestra, Sheila Jordan, Steve Kuhn, Georgie Fame and more. (South Hill Park Arts Centre, Bracknell, Berkshire, England.)

* * *

Nimes (July 10-17): Jousting in the Roman arena will be Kai Winding, Chet Baker, Curtis Fuller, Melba Liston, Joe McPhee, John Surman, Barre Phillips, Michel Portal and other gladiators. (Jazz Club, 45 Rue Flamande, 30000 Nimes, France.)

* * *

Munich (July 10-12): Maynard Ferguson, Dizzy Gillespie, Christian Escoude-John McLaughlin duo, Fats Domino, Carmen McRae, Dave Brubeck, Scott Hamilton, Klaus Doldinger's Passport, Betty Carter, Stan Getz, John Lee Hooker and, neither last nor least, Melba Liston's All Woman Band. An olympian assortment in the Olympiapark. (Jazz Festival, Olympiapark, Veranstaltungsdienst, POB 401, D-8000 Munich 40, West Germany.)

* * *

The Hague (July 11-13): The Northsea Festival advertises jazz films, jazz food, jazz accessories, jazz video, jazz T-shirts and over 500 musicians playing 10 hours a day for three days in eight halls under one roof. Ray Charles, Eddie Henderson, Bennie Maupin, Herbie Hancock, Tommy Flanagan, Jimmy Smith, Clifford Jordan, Clark Terry, Sarah Vaughan, Kenny Clarke, Jimmy Owens, Hal Singer, Budd Johnson, Joe Pass, Jimmy Maxwell, Ray Bryant, Humphrey Lyttleton and an ear-boggling assortment of almost anyone you can name in any definable style, and some not so definable. (Northsea Festival, Postbus 11745, The Hague, Netherlands.)

* * *

Nice (July 12-22): The Grand Parade du Jazz brings us more of the above taking their flights of fancy on three simultaneously running bandstands in the gorgous Cimiez gardens overlooking the city. Pre-bebop preferred: Mercer Ellington, Panama Francis and the Savoy Sultans, Harry Edison, Jimmy Raney, Slam Stewart, Ruby Braff, Lee Konitz, Cab Calloway, Richie Cole, Curtis Fuller, Mighty Joe Young, Dave Brubeck, and — you get the idea. (Grande Parade du Jazz, 28 Avenue Marcean, 75008 Paris, France.)

— MICHAEL ZWERIN

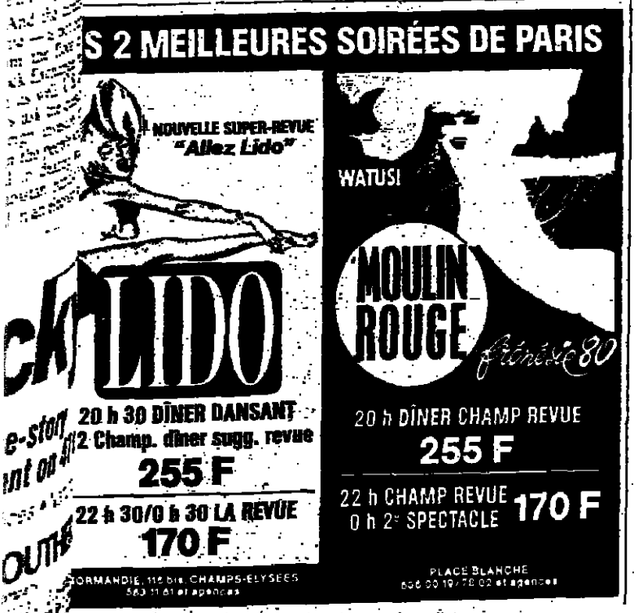

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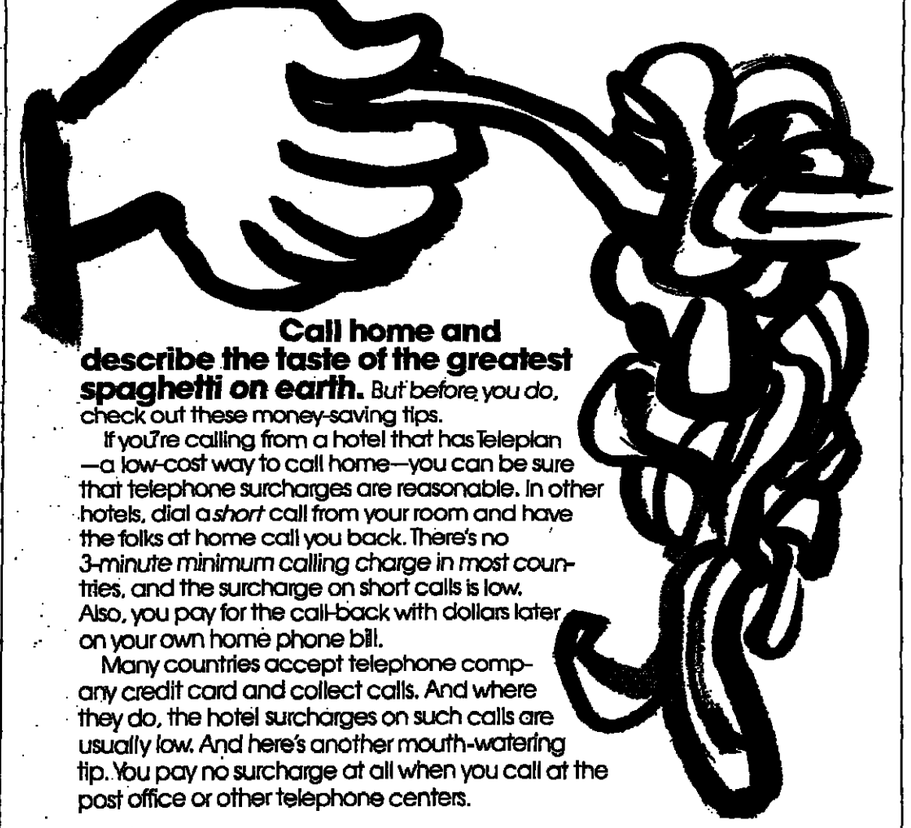
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LES 2 MEILLEURES SOIRÉES DE PARIS



Call home and describe the taste of the greatest spaghetti on earth. But before you do, check out these money-saving tips.

If you're calling from a hotel that has Teleplan —a low-cost way to call home—you can be sure that telephone surcharges are reasonable. In other hotels, dial a *short* call from your room and have the folks at home call you back. There's no 3-minute minimum calling charge in most countries, and the surcharge on short calls is low. Also, you pay for the call-back with dollars later on your own home phone bill.

Many countries accept telephone company credit card and collect calls. And where they do, the hotel surcharges on such calls are usually low. And here's another mouth-watering tip. You pay no surcharge at all when you call at the post office or other telephone centers.

Bell System




Omega Jewellery Quartz. Photographed on Faubourg St. Honoré, Paris.

Omega Jewellery Quartz. Left to right: BA 891 8883 A, BA 891 8872 B, BA 891 8742 B. Case and bracelet in 18 ct. gold. Miniaturized quartz movement, diamond setting, sapphire crystal. All models registered

# NYSE Nationwide Trading Closing Prices May 21

Tables include the nationwide prices up to the closing on Wall Street.

| 12 Month High | 12 Month Low | Stock | Div. in $ | Yld. | P/E | Sls. 100s. | High | Low | Close Quot. | Ch'ge Prev Close |
|---|---|---|---|---|---|---|---|---|---|---|
| | | —A—A—A— | | | | | | | | |
| 43¼ | 27½ | ACF | 2.50 | 7.7 | 6 | 37 | 33 | 32½ | 32½ | — ¾ |
| 18⅝ | 11½ | AMF | 1.24 | 9.4 | 5 | 1089 | 13¾ | 13½ | 13¾ | + ¼ |
| 20 | 12½ | AM Intl | .28 | 1.7 | 105 | 60 | 17 | 16⅝ | 16¾ | — ⅛ |
| 12¼ | 7⅜ | APL | .50f | | | 33 | 22 | 9⅛ | 9⅛ | — ⅛ |
| 40½ | 24⅝ | ARA | 1.82 | 6.3 | 5 | 46 | 29 | 28⅝ | 28⅝ | + ⅛ |
| 54⅞ | 24⅝ | ASA | 3 | 7.7 | | 611 | 39¼ | 38½ | 38¾ | + ⅛ |
| 12⅝ | 8⅛ | ATO | .60 | 5.4 | 4 | 54 | 11⅛ | 10⅞ | 11⅛ | + ¼ |
| 31¾ | 17 | AVX s | .32 | 1.4 | 18 | 144 | 22¾ | 22¼ | 22⅝ | — ⅛ |
| 43⅝ | 31⅛ | AbbtLb | 1.20 | 3.0 | 13 | 336 | 40½ | 40¼ | 40½ | + ⅛ |
| 24¼ | 17¼ | AcmeC | 1.40 | 5.9 | 5 | 44 | 23⅞ | 23¾ | 23⅞ | + ⅛ |
| 4⅝ | 2¼ | AdmDg | .04 | 1.2 | 5 | 2 | 3¼ | 3¼ | 3¼ | + ⅛ |
| 14½ | 11 | AdaEx | 1.49e | 12. | | 45 | 12½ | 12⅛ | 12½ | + ⅛ |
| 5¾ | 3⅝ | AdmMl | .20e | 5.0 | 9 | 38 | 4 | 3⅞ | 4 | + ⅛ |
| 46⅝ | 26⅞ | AMD n | | | 11 | 427 | 33¾ | 32⅞ | 33⅛ | + ¾ |
| 36⅞ | 29¼ | AetnLf | 2.12 | 6.2 | 5 | 682 | 34⅜ | 34 | 34⅛ | — ⅛ |
| 28¼ | 15 | Ahmans | 1.20 | 5.3 | 5 | 50 | 22⅞ | 22 | 22⅝ | + ¼ |
| 3¼ | 2 | Aileen | | | | 38 | 2½ | 2⅜ | 2⅜ | — ⅛ |
| 43⅝ | 26½ | AirPrd | .80 | 2.3 | 8 | 312 | 34½ | 33⅝ | 34⅛ | — ⅛ |
| 28¼ | 16⅛ | AirbFrt | 1.20 | 6.6 | 9 | 7 | 18⅛ | 18 | 18⅛ | + ¼ |
| 17½ | 7¼ | Akzona | .80 | 7.1 | 6 | 73 | 11½ | 11 | 11¼ | + ⅛ |
| 8⅛ | 5½ | AlaP | dpf.87 | 12. | | 5 | 7¼ | 7¼ | 7¼ | — ⅛ |
| 84 | 58½ | AlaP pf | 9 | 12. | | z50 | 73 | 73 | 73 | + ½ |
| 101¾ | 75½ | AlaP pf | 11 | 12. | | z40 | 88⅛ | 88⅛ | 88⅛ | — 2¾ |
| 15⅞ | 13 | Alagsco | 1.48 | 10. | 5 | 8 | 14¼ | 14⅛ | 14¼ | + ⅛ |
| 55⅛ | 17 | Alaskin | .80 | 1.9 | 8 | 252 | 42⅜ | 41¾ | 42⅛ | + ⅝ |
| 36 | 23⅞ | Albany s | 1 | 3.6 | 7 | 19 | 28 | 27½ | 27½ | — ⅛ |
| 18⅞ | 6⅞ | Alberto | .36 | 3.7 | 10 | 14 | 9⅝ | 9⅝ | 9⅝ | |
| 19½ | 16½ | Albtsn s | .80 | 4.1 | 8 | 145 | u19⅝ | 19⅜ | 19½ | |
| 25¼ | 22⅝ | Alcan s | 1.40 | 5.5 | 5 | 1624 | u25⅝ | 25⅛ | 25⅜ | + ⅜ |
| 37¼ | 24½ | AlcoStd | 1.68 | 6.1 | 5 | 1 | 27½ | 27½ | 27½ | |
| 9⅝ | 5½ | Alexdr | .40 | 7.1 | 7 | 45 | 5⅝ | 5½ | 5⅝ | + ⅛ |
| 34⅝ | 17½ | AlleCp | 1.08a | 5.5 | 4 | 153 | 20 | 19⅝ | 19⅝ | + ¼ |
| 37⅞ | 17¼ | AlgLud | 1.40 | 5.4 | 3 | 48 | 27 | 26¼ | 26½ | — ½ |
| 56¾ | 22⅞ | AlgLd pf | 3 | 4.9 | | 5 | 42⅛ | 42⅛ | 42⅛ | + ½ |
| 22⅞ | 15½ | AlgLd pf | 2.19 | 11. | | 85 | 20⅛ | 19⅞ | 19⅞ | |
| 18 | 12½ | AllgPw | 1.80 | 11. | 8 | 1348 | 16⅛ | 15⅞ | 16 | |
| 17¼ | 11⅞ | AllenGp | 1 | 7.7 | 5 | 9 | 13¼ | 13 | 13 | — ⅛ |
| 61¾ | 30¼ | AlldCh | 2.20 | 4.8 | 35 | 581 | 46⅝ | 45⅝ | 46½ | — ⅛ |
| 14¼ | 10⅝ | AlldMnt | .86 | 7.1 | 6 | 9 | 12⅛ | 12⅛ | 12⅛ | — ⅛ |
| 22¼ | 14⅞ | AlldPd | .60 | 3.8 | 11 | 8 | 16 | 16 | 16 | |
| 27½ | 18¾ | AlldStr | 1.70 | 7.7 | 5 | 32 | 22⅜ | 22 | 22⅛ | — ½ |
| 38⅜ | 22¾ | AllisCh | 2 | 8.7 | 4 | 86 | 23¼ | 23 | 23 | — ⅛ |
| 18⅜ | 10⅝ | AllrAu | .64b | 4.8 | 7 | 1 | 13¼ | 13¼ | 13¼ | — ¼ |
| 21⅜ | 12 | AlphPr | .72 | 4.8 | 5 | 5 | 15⅛ | 15⅛ | 15⅛ | — ⅛ |
| 70⅞ | 48⅛ | Alcoa | 3.20 | 5.7 | 4 | 293 | 57 | 56⅛ | 56⅝ | + ⅜ |
| 36½ | 16⅝ | AmlSug | 1.60 | 4.5 | 13 | 84 | 35⅞ | 34⅞ | 35⅝ | + ⅝ |
| 59⅛ | 35½ | Amax | 2.40 | 5.8 | 5 | 861 | 41¾ | 40¾ | 41⅛ | + ⅛ |
| 76½ | 47 | Amax pf | 3 | 5.7 | | 18 | 53 | 53 | 53 | |
| 32¼ | 16⅜ | Amrce | 1.32 | 6.1 | 5 | 16 | 21¾ | 21⅜ | 21½ | — ⅛ |
| 61½ | 35 | AHess | 2 | 4.4 | 3 | 1036 | 47¼ | 42⅛ | 43⅛ | + ⅝ |
| 14 | 6⅝ | AmAir | .10f | | 24 | 210 | 8⅛ | 7⅝ | 8 | — ⅛ |
| 6 | 2⅝ | AmAir wt | | | | 65 | 3 | 2⅞ | 2⅞ | |
| 20½ | 14 | AAir pf | 2.18 | 14. | | 38 | 15⅛ | 15⅛ | 15⅛ | + ⅛ |
| 19⅝ | 12 | ABakr | 1.20 | 8.7 | 18 | 46 | 13⅞ | 13½ | 13⅞ | |
| 74¾ | 57¼ | ABrnds | 5.80 | 7.9 | 6 | 184 | 74 | 72⅞ | 73 | —1⅛ |
| 35½ | 27¼ | ABrd pf | 1.70 | 4.9 | | 1 | 34⅞ | 34⅞ | 34⅞ | — ⅛ |
| 33½ | 21⅞ | ABrd pf | 2.75 | 10. | | 4 | 27⅝ | 27⅝ | 27⅝ | + ⅛ |
| 37½ | 29⅞ | ABrd pf | 2.67 | 7.2 | | 12 | 37⅛ | 37 | 37 | — ⅛ |
| 47⅝ | 26 | ABdcst | 1.60 | 5.8 | 5 | 333 | 28 | 27⅞ | 27⅞ | + ⅛ |
| 16⅜ | 13 | ABldM | .78 | 5.8 | 6 | 17 | 13½ | 13⅜ | 13⅜ | — ⅛ |
| 41⅞ | 27¼ | AmCan | 2.90 | 9.2 | 5 | 121 | 31⅝ | 31⅛ | 31⅝ | + ⅛ |
| 8¼ | 4¼ | ACentry | | | 5 | 4 | 7 | 6⅛ | 6⅛ | — ⅛ |
| 38 | 20⅝ | ACyan | 1.60 | 5.4 | 9 | 2323 | 30 | 29⅝ | 29⅝ | — ⅛ |
| 19⅝ | 11⅛ | AmDistl | | | 55 | 65 | 16 | 15⅝ | 16 | + ¼ |
| 24⅝ | 14⅝ | ADT | 1.16 | 5.8 | 7 | 210 | 20⅛ | 19⅞ | 20 | + ⅛ |
| 22½ | 15⅝ | AElPw | 2.22 | 12 | 8 | 805 | 18⅞ | 18⅝ | 18⅝ | + ¼ |
| 36⅝ | 25⅛ | AmExp | 2 | 6.0 | 7 | 1872 | 33⅝ | 33 | 33½ | — ⅛ |
| 14⅜ | 7¼ | AFamil | .60b | 8.1 | 3 | 123 | 7½ | 7⅜ | 7⅜ | — ⅛ |
| 22½ | 15¼ | AGlBd | 2.15e | 11. | | 31 | 19⅛ | 18⅞ | 18⅞ | — ⅛ |
| 22⅜ | 16⅞ | AGnCv | 1.44a | 7.2 | | 2 | 19⅞ | 19⅞ | 19⅞ | — ⅛ |
| 38⅜ | 24⅞ | AGnIns | 1 | 3.1 | 5 | 25 | 32 | 31⅝ | 32 | + ¼ |
| 16½ | 11⅛ | AHeritLf | .60 | 4.8 | 6 | 7 | 12½ | 12⅛ | 12½ | — ⅛ |
| 24½ | 14½ | AmHoist | 1.12 | 5.9 | 5 | 438 | 18⅞ | 17½ | 18⅝ | +1⅜ |
| 29½ | 21⅛ | AHome | 1.70 | 6.0 | 11 | 3941 | 28⅛ | 28 | 28⅛ | — ⅛ |
| 35⅛ | 26 | AmHosp | .92 | 2.7 | 12 | 463 | 34⅝ | 33⅝ | 34⅜ | + ¾ |
| 11⅞ | 6 | AmInvt | .40a | 3.7 | 9 | 183 | 11 | 10⅞ | 10⅞ | — ⅛ |
| 39 | 24½ | AMI s | .80 | 2.3 | 11 | 267 | 34⅞ | 33⅞ | 34½ | —1 |
| 9½ | 4⅝ | AmMotrs | .30 | 6.0 | 4 | 779 | 5⅛ | 5 | 5 | — ⅛ |
| 54⅞ | 37⅝ | ANatR | 3.44 | 8.3 | 8 | 90 | 41⅝ | 40⅞ | 41¼ | — ¼ |
| 31½ | 15¼ | AmSLFla | .80b | 3.9 | 4 | 61 | 21⅛ | 20⅝ | 20½ | — ¾ |
| 19⅝ | 11⅛ | AShip | .80 | 5.9 | 11 | 35 | 13½ | 13⅛ | 13⅛ | + ⅛ |
| 58⅞ | 44⅞ | AStand | 4 | 7.3 | 5 | 340 | 55 | 54⅞ | 54⅞ | — ⅛ |
| 10¼ | 5½ | ASterli | .32 | 4.4 | 7 | 142 | 7¼ | 6⅞ | 7¼ | + ⅛ |
| 34½ | 20⅛ | AmStr | .80 | 3.3 | 6 | 71 | 24½ | 24⅛ | 24⅛ | — ⅛ |
| 59⅝ | 38½ | AmStr pf | 5.51 | 12. | | 40 | 43½ | 43⅛ | 43½ | + ⅜ |
| 59⅝ | 45 | ATT | 5 | 9.4 | 7 | 4267 | 53⅛ | 52⅞ | 53⅛ | + ⅛ |
| 63 | 48½ | ATT pf | 4 | 7.2 | | 5 | 55½ | 55⅜ | 55½ | |
| 47⅝ | 30⅜ | ATT pf | 3.64 | 9.2 | | 1 | 39⅝ | 39⅝ | 39⅝ | |
| 49⅞ | 31½ | ATT pf | 3.74 | 9.3 | | 7 | 40⅛ | 40⅛ | 40⅛ | |
| 12⅝ | 8⅞ | AWat pf | 1.25 | 12. | | z50 | 10⅛ | 10⅛ | 10⅛ | |
| 21⅛ | 16 | Ameron | 1.20 | 6.4 | 5 | 3 | 18⅞ | 18⅞ | 18⅞ | — ⅛ |
| 17⅝ | 11¼ | AmesD | .40 | 2.6 | 5 | 8 | 15⅛ | 15¼ | 15¼ | — ⅛ |
| 28⅝ | 18½ | Ametek s | 1 | 4.2 | 11 | 50 | 24⅛ | 23⅞ | 23⅞ | — ¼ |
| 31¾ | 18½ | Amfac | 1.32 | 4.6 | 7 | 142 | 29 | 28⅜ | 29 | |
| 41 | 33 | AMPInc | 1. | 2.6 | 11 | 434 | 38⅛ | 37⅝ | 37⅝ | — ¼ |
| 30¼ | 14 | Ampco | .60a | 2.5 | 5 | 7 | 23⅝ | 23⅝ | 23⅝ | + ⅛ |

(Continued on Page 20)


ADVERTISEMENT

## INTERNATIONAL FUNDS

May 21, 1980

The net asset value quotations shown below are supplied by the Funds listed with the exception of some Swiss funds whose quotes are based on issue prices. The following marginal symbols indicate frequency of quotations supplied for the IHT: (d)—daily; (w)—weekly; (m)—monthly; (r)—regularly; (i)—irregularly.

ALLIANCE INTL.co Bk of Bermuda,Berm.
—(d) Alliance IntlSRsvs.($I) ..... 9.3pc□

BANK JULIUS BAER & Co Ltd:
—(d) Baerbond ..... SF 679.90
—(d) Conbar ..... SF 664.00
—(d) Grobar ..... SF 646.00
—(d) Stockbar ..... SF 764.00

BANQUE VON ERNST & CIE.:
—(d) CSF Fund ..... SF 16.80
—(d) Crossbow Fund ..... SF 4.10
—(d) ITF Fund N.V. ..... $ 10.46

BRITANNIA TRUST MNGT.(CI) Ltd.:
—(w) Universal Dollar Trust ..... $85.6p
—(w) High Interest Sterling ..... £85.5p

CAPITAL INTERNATIONAL:
—(w) Capital Int'l Fund ..... $ 20.63
—(w) Capital Italia S.A. ..... $ 18.17
—(w) Convertible Capital S.A. ..... $ 28.07

CREDIT SUISSE:
—(d) Actions Suisses ..... SF 292.00
—(d) Canasec ..... SF 544.00
—(d) C.S. Fonds-Bonds ..... SF 59.50
—(d) C.S. Fonds-Int'l ..... SF 62.75
—(d) Energie-Valor ..... SF 106.25
—(d) Ussec ..... SF 480.00
—(d) Europa-Valor ..... SF 112.25

DIT INVESTMENT FRANKFURT:
—(d) Concentra ..... DM 17.90
—(d) Int'l Rentenfond ..... DM 62.10

EARNEX Fd. Box N 1965, Nassau, Bahamas:
—(d) Earnex Fd ..... $ 1.96

FIDELITY PO Box 670, Hamilton, Bermuda:
—(w) Fidelity Amer. Assets ..... $ 38.49
—(d) Fidelity Dir. Svgs. Tr. ..... $71.48
—(d) Fidelity Far East Fd ..... $ 20.80
—(w) Fidelity Int'l Fund ..... $ 38.62
—(w) Fidelity Pacific Fund ..... $ 63.51
(w) Fidelity World Fd. ..... $ 18.27

G.T. MANAGEMENT LTD:
—(w) Berry Pac. Fd. Ltd. ..... $ 42.66
—(w) G.T. Asia Fund ..... HK$ 11.63
—(d) G.T. Bond Fund ..... $ 13.46
—(w) G.T. Dollar Fund ..... $ 8.86
—(d) G.T. Investment Fund ..... $ 11.93
—(d) G.T. Japan Small Co Fund ..... $ 10.64
—(d) G.T. Technology Fund ..... $ 11.85 r

JARDINE FLEMING:
—(r) Jardine Japan Fund ..... $ 74.40
—(r) Jardine S.East Asia ..... $ 26.48

LLOYDS BANK INT., POB 438 GENEVA 11
—+(w) Lloyds Int'l Growth ..... SF 438.50
—+(w) Lloyds Int'l Income ..... SF 287.50

ROTHSCHILD ASSET MGMT (Bermuda):
—(w) Reserve Assets Fd Ltd ..... $ 10.33

ROTHSCHILD ASSET MGTM (CI):
—(r) O.C. Dir Commodity Tr. ..... $45.31

SOFID GROUPE GENEVA
—(r) Parfon Sw. R Est ..... SF 1,515.50
—(r) Securswiss ..... SF 1,314.00

SWISS BANK CORP.:
—(d) America-Valor ..... SF 348.50
—(d) Intervalor ..... SF 52.00
—(d) Japan Portfolio ..... SF 354.00
—(d) Swissvalor New Ser ..... SF 229.00
—(d) Univ. Bond Select ..... SF 63.50
—(d) Universal Fund ..... SF 70.67

UNION BANK OF SWITZERLAND:
—(d) Amca U.S. Sh. ..... SF 22.25
—(d) Bond Invest ..... SF 56.25
—(d) Convert-Invest ..... SF 60.00
—(d) Eurit Europe Sh. ..... SF 128.00
—(d) Fonsa Swiss Sh ..... SF 99.25
—(d) Globinvest ..... SF 56.25
—(d) Pacific Invest ..... SF 77.00
—(d) Romeloc-Invest ..... SF 367.00
—(d) Safit South Afr Sh ..... SF 318.50
—(d) Sima Swiss R Est ..... SF 183.50

UNION INVESTMENT, Frankfurt
—(d) Unirenta ..... DM 35.80
—(d) Unifonds ..... DM 15.95
—(d) Unirak ..... DM 45.71

Other Funds

(w) Alexander Fund ..... $ 9.43
(r) Arab Finance I.F. ..... $ 1,015.96
(w) Trustcor Int. Fd (AEIF) ..... $ 7.60
(w) Austral. Select Fd. ..... $ 1.48
(w) Bondselex - Issue Pr. ..... SF 114.25
(w) CAMIT ..... $ 9.30
(w) Capital Gains Inv. ..... $ 17.18
(d) Capital Rentinvest ..... LF 1,356.00
(d) Corbico Open-End Fund ..... $ 260.58
(w) Citadel Fund ..... $ 2.64
(w) Cleveland Offshore Fd. ..... $ 1,038.62
(w) Convert. Fd Int. A Certs ..... $ 6.60
(w) Convert Fd Int. B Certs ..... $ 14.37
(w) D.G.C. ..... $ 47.83
(d) Dollar Fund (ex-Divid.) ..... $ 0.08
(d) Dreyfus Fund Int'l ..... $ 20.87
(w) Dreyfus Intercontinent ..... $ 20.42
(d) Europe Obligations ..... LF 1,157.00
(d) Energy Intl. N.V. ..... $ 33.45
(w) First Eagle Fund ..... $ 6,227.00
(w) F.I.R.S.T. ..... $ 240.29
(w) Fonselex Issue Pr. ..... SF 140.40
(w) Formula Selection Fd. ..... SF 68.85
(d) Fonditalia ..... $ 14.07
(d) Frankl.-Trust Interzins ..... DM 28.74
(d) Fund of N.Y. (ex-divid.) ..... $ 0.34
(d) Global Int'l Fund ..... DM 5.82
(w) Haussmann Hldgs. NV ..... $ 415.58
(d) Indosuez Multibonds A ..... $ 116.74
(d) Indosuez Multibonds B ..... $ 126.54
(d) Interfund S.A. ..... $ 11.18
(w) Intermarket Fund ..... $ 163.75
(w) Int'l Inc Fund (Jersey) ..... $ 22.29
(r) Int'l Securities Fund ..... $ 6.97
(d) Investa DWS ..... DM 22.50
(r) Invest Atlantiques ..... $ 56.97
(r) Italfortune Int'l Fd S.A. ..... $ 9.94
(w) Japan Selection Fund ..... $ 82.87
(w) Japan Pacific Fund ..... $ 45.21
(d) KB Income Fund ..... LF 1,388.00
(d) Kleinwort Benson Int. F ..... $ 13.36
(d) Kleinwort Benson IntUF ..... $ 13.24
(w) Kleinwort Bens. Jap. F. ..... $ 30.52
(w) Leverage Cap. Hold. ..... $ 70.03
(w) Luxfund ..... $ 32.09
(d) Medlolanum Sel. Fund ..... $ 12.56
(d) Neuwirth Int'l Fund ..... $ .64
(d) Neuwirth Inv. Fund ..... $ 1.72
(w) Nisson Fund ..... $ 14.61
(w) Nor. Amer. Inv. Fund ..... $ 5.01*
(w) Nor. Amer. Bank Fd ..... $ 4.29*
(w) N.A.M.F. ..... $ 84.43
(d) Putnam Intern'l Fund ..... $ 35.48
(w) Quantum Fund N.V. ..... $ 1,055
(d) Rento Fund ..... $ 55.48
(d) Rentinvest ..... LF 762.00
(d) Safe Fund ..... $ 3.92
(d) Safe Trust Fund ..... $ 10.8
(w) Samurai Portfolio ..... SF 57.00
(w) Sepro (N.A.V.) ..... $ 16.34
(w) SMH Special Fund ..... DM 87.40
(w) Talent Global Fund ..... $ 12.06
(w) Tokyo Pac. Hold (Sea) ..... $ 59.19
(w) Tokyo Pac. Hold N.V. ..... $ 79.88
(w) Transpacific Fund ..... $ 34.15
(d) UNICO Fund ..... DM 53.36
(w) United Cap Inv. Fund ..... $ 3.42
(m) Utd Int'l Bond Fd. ..... $ 101.06
(w) Western Growth Fund ..... $ 7.94
(d) World Equity Grth. Fd ..... $ 437.24
(m) Worldwide Fund Ltd ..... $ 78.65
(w) Worldwide Securities ..... $ 90.76
(w) Worldwide Special ..... $ 2,077.02

DM — Deutsche Mark; * — Ex-Dividend; • — New; N.A. — Not Available; BF — Belgium Francs; LF — Luxembourg Francs; SF - Swiss Francs; + — Offer prices; a — Asked; b — Bid Change P/V $10 to $1 per unit. S/S — Stock Split; ** — Ex RTS; "S" — Suspended; N.C. - Not communicated; • — • - Redemption price -Ex-Coupon. □ Yield on US$1-00 UNIT.


## European Stock Markets

May 21, 1980
(Closing prices in local currencies)

### Amsterdam

| | Close | Prev. |
|---|---|---|
| ACF Holding | 72.00 | 72.20 |
| AKZO | 22.70 | 24.00 |
| Albert Heijn | 66.50 | 66.20 |
| Algemeen bank | 286.00 | 287.00 |
| AMEV | 97.80 | 97.80 |
| Amrobank | 62.30 | 62.60 |
| A'Dam Rub | 3.60 | 3.30 |
| Boskalis | 91.50 | 93.80 |
| Bredero | 195 xd | 215.00 |
| Buerhmann T | 64.70 | 64.00 |
| Caland Hlds | 25.50 | 25.80 |
| Elsevier | 240.00 | 236.50 |
| Ennia | 132.50 | 133.00 |
| Fokker | 24.00 | 23.60 |
| Gist Brocades | 27.50 | 27.50 |
| Heineken | 61.40 | 61.10 |
| H.V.A. | 41.50 | 42.00 |
| Hoogovens | 14.60 | 14.90 |
| Naarden | 14.90 | 14.90 |
| K.L.M. | 65.40 | 67.00 |
| Nat. Nedder | 116.40 | 116.40 |
| Nedlloyd | 91.80 | 91.40 |
| Oce Vander G | 119.00 | 120.00 |
| OGEM | 11.20 | 11.20 |
| Pakhoed | 41.00 | 41.60 |
| Philips | 17.40 | 17.90 |
| Robeco | 164.00 | 163.20 |
| Rodamco | 110.00 | 110.20 |
| Rolinco | 148.00 | 148.10 |
| Rorento | 110.30 | 110.90 |
| Royal Dutch | | 156.80xd 162.00 |
| RSV | 34.00 | 34.20 |
| Unilever | 108.80 | 109.10 |
| Van Ommer | 252.00 | 253.00 |
| VMF-Stork | 31.70 | 31.80 |
| VNU | 85.50 | 86.20 |

Anp-Cbs Index : 83.08
Previous : 83.30

### Brussels

| | Close | Prev. |
|---|---|---|
| Arbed | 1,980 | 1,980 |
| Cockerill | 275 | 276 |
| EBES | 1,905 | 1,880 |
| Electrobel | 5,780 | 5,780 |
| GB-Inno-BM | 2,330 | 2,300 |
| GBL (B.Lamb) | 1,302 | 1,308 |
| Hoboken | 2,560 | 2,495 |
| Petrofina | 5,050 | 5,110 |
| Ph. Gevaert | 1,044 | 1,008 |
| Soc. Generale | 1,344 | 1,334 |
| Sofina | 3,230 | 3,220 |
| Solvay | 2,550 | 2,550 |
| Traction Elec | 2,475 | 2,425 |
| Un. Miniere | 744 | 748 |
| V. Montagne | 1,406 | 1,350 |

Bourse Index : 146.50
Previous : 145.92

### Frankfurt

| | Close | Prev. |
|---|---|---|
| A.E.G. | 76.50 | 78.30 |
| Allianz Vers. | 379.00 | 378.50 |
| B.A.S.F. | 142.00 | 142.50 |
| Bayer | 121.30 | 122.00 |
| Bayer Hypo | 219.00 | 220.50 |
| Bayer Verein | 270.90 | 273.00 |
| Commerzbank | 164.50 | 165.90 |
| Cont. Gummi | 51.20 | 51.30 |
| Daimler | 263.50 | 260.50 |
| Degussa | 223.80 | 223.80 |
| Demag | 126.00 | 125.00 |
| D.Babcock | 213.50 | 214.50 |
| Deutsche Bnk | 256.00 | 257.50 |
| Dresdner Bnk | 176.20 | 177.30 |
| Du. Schulte | 145.00 | 140.00 |
| GHH | 204.00 | 205.00 |
| Hapag Lloyd | 67.20 | 69.00 |
| Hochtief | 419.00 | 415.00 |
| Hoechst | 122.30 | 123.20 |
| Hoesch | 26.10 | 26.10 |
| Holzmann | 393.00 | 393.00 |
| Horten | 132.00 | 132.50 |
| Kali u Salz | 134.00 | 135.00 |
| Karstadt | 227.00 | 248.00 |
| Kaufhof | 184.00 | 185.00 |
| K.H.D. | 216.00 | 216.50 |
| Kloeckner | 42.00 | 41.62 |
| Krupp | 55.50 | 55.20 |
| Linde | 289 xd | 300.00 |
| Lufthansa | 78.00 | 79.00 |
| MAN | 186.50 | 187.00 |
| Mannesman | 116.50 | 116.80 |
| Metallgesell. | 250.50 | 250.00 |
| Muench. Rock | 490.00 | 490.00 |
| Neckermann | 134.50 | 132.50 |
| Preussag | 192.00 | 193.00 |
| RWE.new | 172.00 | 172.00 |
| Schering | 189.50 | 190.00 |
| Siemens | 258.50 | 257.50 |
| Thyssen | 67.10 | 68.50 |
| Varta | 148.00 | 149.50 |
| Veba | 137.50 | 137.70 |
| VEW | 109.50 | 109.80 |
| Volkswagen | 186.50 | 187.00 |

Sieman Index : 133.64
Previous : 134.29

### London

| | Close | Prev. |
|---|---|---|
| Allied Brew | 0.75 | 0.76 ½ |
| AA Co | $12 ¾ | 12 ¾ |
| Anglo-Am | 0.79 ½ | 0.79 |
| Babcock-Wil | 0.89 | 0.90 |
| Barclays Bnk | 4.15 | 4.18 |
| BAT Ind. | 2.41 | 2.41 |
| Beecham Gp | 1.14 | 1.13 |
| BICC | 1.17 | 1.18 |
| BOC Int'l | 0.46 | 0.44 |
| Boots | 1.87 | 1.87 |
| Bowater | 1.65 | 1.69 |
| B.P. | 3.34 | 3.30 |
| Burmah | 2.06 | 2.05 |
| Coats Patons | 0.49 | 0.48½ |
| Charter Cold | 1.47 | 1.48 |
| Cadbury Sc. | 0.59½ | 0.60 |
| Cons.Gold Fds | 4.55 | 4.57 |
| Courtaulds | 0.72 | 0.71 |
| De Beer | $9.13 | 9.13 |
| Distillers | 1.96 | 1.97 |
| Dunlop | 0.73 | 0.73 |
| Free St Ged | 51 ½ | 48 ¾ |
| GEC | 3.68 | 3.69 |
| GKN | 2.58 | 2.65 |
| Glaxo | 1.86 | 1.88 |
| GUS | 3.94 | 3.96 |
| Guinness | 0.93 | 0.93 |
| Hawker-Sidd | 1.64 | 1.68 |
| ICI | 3.74 | 3.74 |
| Imps | 0.75¼ | 0.75 |
| Laarbo | 0.80 | 0.79 |
| Lucas | 2.16 | 2.20 |
| Marks-Spenc | 0.87 | 0.87 |
| Metal Box | 2.72 | 2.76 |
| Plessey | 1.47 | 1.48 |
| Randfontein | $64.00 | 63.00 |
| Rank Org. | 1.84 | 1.86 |
| Reed | 1.75 | 1.76 |
| Rolls Royce | 0.49 | 0.49 |
| Royal Dutch | 34 ⅞ | 36 ¼ |
| R.T.Z. | 3.55 | 3.55 |
| Shell | 3.82 | 3.72 |
| Thorn (A) | 2.74 | 2.78 |
| Trafalgar H | 0.68 | 0.69 |
| Tube Invest. | 2.62 | 2.64 |
| Ultramar | 3.50 | 3.32 |
| Unid Biscuits | 0.70 | 0.70 |
| Vickers | 1.13 | 1.13 |
| War Loan 3½ | 32 ¾ | 32 ¾ |
| W. Deep | $43.00 | 38 ½ |
| W. Driefin | $80 ½ | 79 ¾ |
| W. Holding | $60.00 | 58 ¾ |
| Woolworth | 0.57 ½ | 0.58 |
| ZCI | 0.26 | 0.28 |

F.T. 30 Index : 431.60
Previous : 433.60

### Milan

| | Close | Prev. |
|---|---|---|
| ANIC | 8.10 | 8.30 |
| Bastogi | 595.00 | 608.00 |
| Centrale | 9,920.00 | 10,000 |
| ERBA | 3,310.00 | 3,415.00 |
| ErcMarelli | 340.00 | 337.00 |
| Fiat | 1,795.00 | 1,800.00 |
| Finsider | 74.00 | 70.00 |
| Generali | 54,900 | 54,260 |
| IFI | 2,393.00 | 2,351.00 |
| Italcimenti | 20,350 | 20,370 |
| Italgas | 770.00 | 769.00 |
| Italsider | 325.50 | 322.00 |
| La Rinas | 145.00 | 137.00 |
| Montedis | 165.50 | 168.00 |
| Olivetti | 2,020.00 | 1,978.00 |
| Pirelli | 2,051.00 | 2,087.00 |
| Snia Visco | 768.00 | 776.00 |

BCI Index : 96.64
Previous : 95.35

### Paris

| | Close | Prev. |
|---|---|---|
| Air Liquide | 527.00 | 531.00 |
| Alsthom Atl. | 54.70 | 54.50 |
| BIC | 501.00 | 507.00 |
| Bouygues | 611.00 | 620.00 |
| BSN | 982.00 | 980.00 |
| Carrefour | 1,845.00 | 1,821.00 |
| Cim Lafarge | 253.40 | 256.70 |
| Club Mediter | 365.00 | 363.00 |
| Cofimeg | 150.50 | 151.00 |
| Cie Bancaire | 308.00 | 307.00 |
| CFP | 248.00 | 248.00 |
| CGE | 375.90 | 375.80 |
| CCF | 168.00 | 168.00 |
| Creusot Loire | 73.00 | 70.80 |
| CSF | 492.00 | 494.80 |
| Dumez | 650.00 | 655.00 |
| Elf-Aquitaine | 1,310.00 | 1,298.00 |
| Ferodo | 370.00 | 368.00 |
| Gen Occident | 296.00 | 297.00 |
| Hachette | 252.50 | 252.00 |
| Imetal | 109.00 | 108.90 |
| Legrand | 1,639.00 | 1,640.00 |
| L Oreal | 676.00 | 670.00 |
| Mach Bull | 60.90 | 61.80 |
| Matra | 9,130.00 | 9,200.00 |
| Michelin | 872.00 | 876.00 |
| Moet Henn | 540.00 | 541.00 |
| Moulinex | 79.20 | 79.10 |
| Nord-Est L. | 33.30 | 34.40 |
| Paribas | 222.50 | 224.80 |
| Penarroya | 96.40 | 97.80 |
| Pernod Ric | 305.00 | 306.50 |
| Perrier | 227.00 | 226.10 |
| Peugeot | 222.00 | 217.00 |
| Poclain | 230.00 | 239.90 |
| Printemps | 117.60 | 119.00 |
| PUK | 111.70 | 110.10 |
| Radiotech. | 267.00 | 270.50 |
| Redoute | 448.20 | 451.00 |
| Rh Poulenc | 129.50 | 131.00 |
| Roussel Uclaf | 273.00 | 261.00 |
| Sacilor | 23.00 | 22.10 |
| St Gobain | 129.40 | 130.20 |
| Skis Rossignol | 625.00 | 630.00 |
| Suez | 284.00 | 284.00 |
| Telemecan | 858.00 | 858.00 |
| ThomsonBr | 207.50 | 208.00 |
| Usinor | 12.15 | 12.50 |

Agefi Index : 133.27
Previous : 133.33

### Zurich

| | Close | Prev. |
|---|---|---|
| Alusuisse | 1,125 | 1,115 |
| Buehrle | 2,665 | 2,665 |
| B Boveri | 1,780 | 1,790 |
| Cib Geigy | 1,070 | 1,045 |
| Cr Suisse | 2,155 | 2,155 |
| Elektrowatt | 2,300 | 2,300 |
| Fisher | 805 | 805 |
| Hoff Roche B | N.A. | 5,525 |
| Interfood | 5,150 | 5,150 |
| Jelmoli | 1,355 | 1,355 |
| Landis Gyr | 1,360 | 1,370 |
| Nestle | 3,395 | 3,375 |
| Sandoz | 3,425 | 3,550 |
| Schindler | 1,300 | 1,300 |
| Ste B. Suisse | 364 | 363 |
| Sulzer | 2,770 | 2,760 |
| Swissair | 735 | 755 |
| Swiss Volksbk | 1,750 | 1,750 |
| U.B. Suisse | 3,290 | 3,275 |
| Winterthur | 2,515 | 2,495 |
| Zurich Ins | 12,975 | 12,950 |

SBC Index : 321.30
Previous : 319.50

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# SINESS NEWS BRIEFS

### Head Denies Action Against MCI

O, May 20 (WP) — American Telephone and Telegraph Chair- Brown denied today that he recommended in 1972 that con- gement "choke off" MCI Communications Corp.
Mr. Brown insisted he sought to encourage Bell System officials to the new competition in the long distance telephone market. dispute the accuracy of the notes of another AT&T official who as saying that AT&T should "choke off" competitors such as plied his comments had been misinterpreted.
tement has become a major part of MCI's effort to prove in AT&T officials deliberately denied MCI access to vital intercon- cessary for the Washington-based firm to build its long distance rvice. Mr. Brown's testimony in the courtroom here came dur- ppears to be the final week of testimony in MCI's $2.7 billion it against AT&T.

### Post Loss as Jeep Sales Plunge

T, May 21 (NYT) — American Motors expects to operate at a on" in the third quarter ending June 30 and the full 1980 fiscal Sept. 30, the company said yesterday.
pany added that measures "similar to ones already announced gory" would be taken to reduce costs. AMC, the smallest of the U.S.-based automakers, has not reported a quarterly loss since period of 1976.
stomer demand shifting to more fuel-efficient vehicles, the high- le Jeep four-wheel-drive vehicles have been the biggest losers at Motors, with sales this model year down 35 percent.

### ord Reached on Philippine N-Plant

, May 21 (Reuters) — The Philippine government and Westing- ric failed to reach agreement yesterday on the scope of extra ures for the country's first nuclear power plant and who would n, a National Power Corp. spokesman said today.
had been scheduled to continue today, but Westinghouse offi- at they first wanted to consult with company headquarters in
r year's accident at the Three Mile Island nuclear plant in Penn- hilippine President Ferdinand Marcos suspended construction on the Bataan peninsula, and set up a Cabinet committee that led additional safety factors estimated to cost $21 million. that the cost of the plant due for completion in 1984, set at in 1976, could reach $1.8 billion.

### he Shell Plans Major Investment

IRG, May 21 (Reuters) — Deutsche Shell will invest 3.6 billion marks in the next five years in its subsidiaries and joint ventures supplies, its managing board chairman, Wilhelm von Ilsemann,
that Deutsche Shell expects to buy almost 25 percent of its 1980 quirements on the spot market, five percent more than last year. chases result from Shell's unwillingness to pay high prices de- Iran, its traditional supplier.
ket could absorb a complete halt to Iranian crude oil exports ally no ill effects and, barring additional political problems, the world should encounter no supply problems this year, Mr. von said. West German oil stocks stood at 130 days, he said.

# IEA Slashes Forecast Of OPEC Oil Output

*From Agency Dispatches*

PARIS, May 21 — Oil production of the Organization of Petroleum Exporting Countries up to 1985 is likely to be sharply lower than previously forecast and industrial countries must redouble their efforts to cope with energy shortages, the International Energy Agency said today.

In a survey prepared for the meeting here tomorrow of ministers from the 21 member countries, the IEA said: "The very serious adjustment problems that were previously foreseen for the mid-to-late 1980s may well be with us now on a continuing basis and in a climate of political uncertainty."

It estimates that OPEC's annual output during the next five years is unlikely to be much higher, if at all, than the 1979 level of 31.5 million barrels a day. Last year the IEA was forecasting OPEC oil production by 1985 of 37.5 million barrels a day.

The agency predicted that Western industrial nations and Japan will face a shortfall of between 2.1 to 3.7 million barrels a day in 1985, rising to between 5 to 8 million by 1990, due largely to declining availabilities.

According to estimates by IEA members, additional savings or increased IEA production of about 7.4 percent of projected consumption would be needed in 1985. By 1990 the reduction would have to be about 18 percent of consumption.

**Strong Warning**

The survey strongly warns that despite accomplishments to date, oil consuming nations have not done enough "to match the gravity of the situation and the dimension of the challenge."

The ministerial meeting will review the current situation with particular attention to the structural changes that are needed and that are possible, as well as the impact of fluctuations caused by changing circumstances in short-term market conditions.

The IEA survey said lower-than-expected economic growth over the next few years among its members would probably hold back oil consumption and sharply higher prices were expected to spur conservation.

The IEA said pressure on world oil supplies was also likely to be made worse by increasing demands from Communist countries, which would become net oil importers within four years with requirements of over 1 million barrels a day by 1990.

The 24.6 million barrels a day import goal for IEA members in 1985, set in December, will not be enough to prevent continued market instability and upward pressure on oil prices given the prospective availability of oil in the 1980s.

Sources close to the IEA said that the U.S. delegation is expected to press for a substantial reduction in the 1985 import goal to closer to 22 million barrels a day.

Ulf Lantzke, the IEA's executive director, said today that he did not expect any decisions to be taken on the import goals. Although there are no differences of opinion on the 1985 goal, the question is whether IEA members should decide to revise the goal now or later, he said.

**Canada Rejects Link**

PARIS, May 21 (UPI) — Canada will resist any attempt by fellow IEA members to persuade it to tie oil prices to those of other countries, Canadian Energy Minister Marc Lalonde said today.

"We have indicated prices will be higher in Canada although we see no reason for tying them to international prices," he said.

Canada will be under strong pressure at the IEA meeting to drastically increase its domestic oil prices, which are well below the world level, economic sources said here.

**U.S. Restraint Praised**

PARIS, May 21 (AP-DJ) — The IEA today welcomed U.S. achievements in energy restraint that resulted in a reduction in net oil imports to about 7.9 million barrels daily last year from 8 million in 1978 and 8.6 million in 1977.

At the same time, U.S. oil consumption fell by about 2.4 percent last year, it noted while pointing out that U.S. energy position was affected by two significant factors: the reduced availability resulting from the suspension of imports from Iran, and the possible substantial delays in its nuclear program as a result of the Three Mile Island nuclear power plant accident.

**Foreign Sources Thought to Aid Financing**

## *Takeover of City Investing Is Peaceable*

By Robert J. Cole

NEW YORK, May 21 (NYT) — The City Investing Company, a widely diversified insurance, manufacturing and real estate concern, disclosed yesterday that it had received a takeover bid from a private company headed by Lyman Hamilton Jr., the 53-year-old former president of the International Telephone and Telegraph Corporation.

The bid, amounting to $30 a share, or an estimated $1.1 billion in cash, appeared to have been made public, under pressure from the New York Stock Exchange, after rumors in the last few days pushed up the price of City Investing stock by more than $3 a share. Yesterday the stock rose $3.25 more, to $25.63, with nearly two million shares snapped up by Wall Street professionals.

An announcement by George Scharffenberger, 61, chairman of City Investing, said only that Tamco Enterprises, of which Mr. Hamilton is chairman, had offered to purchase City Investing's assets for $30 a share, in cash, if City Investing's management and board of directors approved the deal and Tamco could obtain the "necessary financing."

Tamco, a private company based in New York, is owned jointly by Mr. Hamilton and Victor Goulet, a Chicago real estate man.

Commenting on the offer, Mr. Scharffenberger emphasized that "this is not a hostile proposal."

Although neither Mr. Hamilton nor Mr. Scharffenberger would comment, well-informed Wall Street sources said that Mr. Hamilton had suggested a plan whereby Tamco would purchase the assets of the company and then sell off several of its operations, using some of the proceeds to pay off part of the stockholders' investment and also part of the estimated $900 million of debt involved in the venture. This would be a move to help improve the company's credit rating.

Financing for the venture — understood to be "well along" — is expected to come in large part from banks and insurance companies in the United States, Canada and Europe. Due to credit restraints against such ventures imposed by the Federal Reserve Board, most of the funds likely would have to come from foreign sources.

# Saudi Attempt for Price Unity Stumbles

NEW YORK, May 21 (AP-DJ) — Saudi Arabia's third attempt in six months to restore pricing stability to the Organization of Petroleum Exporting Countries apparently has failed.

A new round of price increases swept through the Gulf yesterday with Iraq, Kuwait and the United Arab Emirates among those raising quotes $2 a barrel, retroactive to May 1.

That is the same amount Saudi Arabia had increased its prices last week, retroactive to April 1, in what had been interpreted as a new bid by the kingdom to narrow the gap between its relatively cheap oil and the higher-priced crudes elsewhere in OPEC.

The Saudi increase had placed its prices in line once again with those in the other Gulf countries, but only temporarily as the new pricing actions proved.

The goal of Saudi Arabia, considered OPEC's voice for moderate pricing, had been to slow the price jumping that had led to a more than doubling of oil prices within the past year.

The kingdom had tried similar approaches twice since December with increases of $6 and then $2 a barrel. In each case, however, OPEC colleagues, particularly those in the Gulf, raised their prices by enough to keep them at least $2 a barrel higher than the Saudi quotes, thus throwing OPEC pricing back into disarray.

Last week's increase by Saudi Arabia advanced the price of its Arab light, usually the OPEC bench-mark crude, to $28 a barrel, the price other Gulf producers had already been using as their base.

The Saudi action had been followed this week by $2-a-barrel increases in Libya and Indonesia and a $1 increase in Algeria. The increases for the premium crudes produced by the African countries were not a surprise either, and Nigeria is expected to follow.

Despite the African and Indonesian moves, observers had maintained that so long as the Gulf countries and Venezuela did not raise prices further OPEC could still return to a unified pricing structure, perhaps at the regular meeting of the oil ministers next month in Algeria.

The apparent rebound of price jumps in the Gulf area apparently meant that the Saudi efforts were once again doomed to failure.

There was still speculation, nonetheless, that the new price increases in the Gulf area were part of a two-stage plan to restore price stability to OPEC. Having been twice burned, Saudi Arabia would not have taken further pricing action without an understanding with others in OPEC on what steps they would take.

Under this strategy, if true, the Saudis would enact yet another $2-a-barrel increase, perhaps before or during the June meeting, to raise their Arab light to $30 a barrel, the new base around which other Gulf members are establishing their quotes.

But, observers saw a problem yesterday with such a theory. "The Saudis apparently would be willing to go to $30 if there would then be reunification," said Barry Good, an oil analyst at Morgan Stanley. "But there isn't any assurance the others wouldn't also jump another $2 a barrel," he said.

# NY Mart In Late Recovery

NEW YORK, May 21 (Reuters) — The New York Stock Exchange closed lower, but was improved from earlier levels on strength in coal and drug issues.

The Dow Jones industrial average closed down 1.45 at 831.06 after hitting a low of 821.50 earlier. The gap between declines and advances narrowed to 7-to-6. Volume rose to about 34.83 million shares from 31.80 million shares yesterday.

One analyst said there was enough buying interest in the market to prevent a rout but not enough to turn it around. They said the report that U.S. durable goods orders fell 4.2 percent in April was as expected and apparently had little effect on the market.

Indications that the Federal Reserve will allow further declines in interest rates also failed to turn the market around. Earlier the Fed moved to drain reserves when federal funds were trading at 9¼ percent. The last time it conducted such an operation was on May 7, when funds were trading at 10½ percent.

On the Big Board, coal issues showing strength were active Pittston, which gained 2¾ to 23½. It knew no reason for the activity. Conoco gained ⅜ to 49¼, Mapco, 1¼ to 39, and Eastern States Gas & Fuel, 2 to 21.

# Dollar Tumbles In Selling Wave

LONDON, May 21 (AP-DJ) — The dollar came under intense selling pressure yesterday because the New York Federal Reserve permitted short-term interest rates to drop sharply. Dealers said the declines would have been greater if several central banks had not intervened to support the dollar.

Sterling rose 1.6 percent against the dollar. Although the Bank of England reportedly sold some sterling from time to time in a smoothing action, the pound finished at $2.3275, its highest level since last July and up from $2.2908.

Dealers said the Bundesbank was a steady purchaser of dollars during the day, yet the dollar tumbled to 1.7880 Deutsche marks from 1.8020.

Although the yen has weakened in the past when oil price increases were announced, the dollar fell to 224.32 yen from 226.40. The decline came mostly in Tokyo where the Bank of Japan purchased an estimated $150 million to moderate the dollar's downtrend.

# *OECD Predicts Recession In U.S. Will Be Moderate*

PARIS, May 21 (NYT) — The Organization for Economic Cooperation and Development has predicted that the United States will have a relatively mild recession this year and that, as a result, the Western economies could survive the recent oil price increases better than had previously been expected.

The OECD secretariat, which monitors the economic health of the 24 member nations, said it expected the United States economy to contract by about five-tenths of 1 percent this year. It had forecast a 1.25 percent slide earlier.

However, it added that the downturn would have only a relatively mild impact on U.S. inflation, which the OECD expects to exceed 10 percent this year. On the other hand, the slump will help end America's three-year string of big payment deficits by pushing its payments outflow into balance with incoming payments, which will be sustained by the growing economies of other countries.

If the United States downturn is mild and other major economies experience slow growth — about 1.25 percent this year — the OECD suggests, the world will avoid a downturn similar to the one it suffered after the big 1974 oil price rises.

Endorsing the OECD view, Charles Shultze, the White House economic policy adviser, repeated earlier predictions that the U.S. recession would remain "shallow," officials said.

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# *Panel Must Proclaim Recession Before U.S. Slump Is Official*

CAMBRIDGE, Mass., May 21 (AP-DJ) — The longest-forecast U.S. recession in history will not become official until a six-man panel of the National Bureau of Economic Research declares it so.

Decreeing the start and end of economic slumps has been a bureau function since the 1940s, when the organization began publishing business-cycle data.

Although recession speculation began early last year and the signs continue almost daily, the bureau's business-cycle dating panel has not found enough evidence to make it official.

The group met three times last year without declaring a recession, and is currently debating about when to meet again.

Robert Hall, a Stanford University economist who heads the panel, notes that although a number of indicators pointed downward in March, data still show a small gain in the first quarter GNP.

"There's some possibility of late May" for a meeting of the panel, Mr. Hall says, but it is more likely to be after the third week in July, when second quarter data will be available. Then, he says, the panel may decide that the economy began its decline back in January. By July, he adds, the recession should be clearly under way, "and the public will only want to know when it will end."

# rces Say Oil Price Formula Is Near

oseph Fitchett

T (IHT) — The oil export- ies are nearing agreement nla for automatic increas- e-oil prices, according to se to the OPEC.
s here say a revolution in trade will result if the 13 overnments adopt the for- pelling hope that oil prices e slower than the rate of

initial dissension by such as Algeria, Iran and radualist formula was ap- general terms by OPEC ters at a meeting this Taif, Saudi Arabia, the ive Middle East Econom- reported.
ing the plan, OPEC sourc- will offer a predictable of oil price rises instead of n price leaps of 1974 and were blamed for disrupt- rld economy.
strategists have retained in formula plans to divert ts members' financial sur- the developing countries. donor nations would link to demands industrialized transfer technology and ccess to the lesser devel- ld, the sources said.
PEC plan also calls for h industrialized countries, id. The talks, which would t year if the OPEC strate- s approved by the group's n Baghdad next Novem- ld center on the effects of g changes on oil supplies rnational economic rela-

xt meeting to set oil prices d for June in Algiers may st OPEC price-setting ses- a long time if the automatic is approved. The sources is a point in the plan's fa- in the past such sessions erated political conflicts OPEC members and with trialized countries.
w price system would set a ce for oil to be adjusted on the basis of a compli- mula, MEES said.
rmula contains three crite- nflation index based on the lex of the organization of c coordination and devel- reflecting the impact of in- n international trade.
ket of Western currencies to the dollar as reference rotecting OPEC members rrency fluctuations. An es- clause to raise oil prices pro- tely to the real economic of the industrialized coun-

ugh no percentages were d, the compounded effect of small proportional increase lt in much higher real pric- es for oil in the next few years, analysts said.

Algeria, Iran and Libya fought the plan at the Taif conference in favor of an index that would include the effects of imported inflation (not just OPEC inflation) and an escalator based on OPEC countries' growth.

The OPEC majority rejected these amendments because they would "obviously have tended to send the likely price impact skyhigh," MEES said.

OPEC chairman Humberto Calderon Berti, Venezuela's minister of mines and economy, predicted after the Taif meeting the three "price hawks" will fall into line with the OPEC majority if it sticks to its proposal.

## Qatar and Venezuela Announce Increases

BEIRUT, May 21 (UPI) — Qatar and Venezuela today joined eight other OPEC nations in raising crude oil prices.

The Qatari price hike was $2 a barrel, retroactive to May 1, the announcement by the national news agency, monitored in Beirut, said. Venezuela announced increases of between $1 and $3.50 a barrel effective next Monday.

An oil analyst in London called the recent round of increases "more chaos" in the world oil market, which has lacked a uniform price since December despite Saudi Arabian attempts to steady the rates. Saudi Arabia increased prices a week ago by $2 a barrel.

Although the Saudis said they raised their price to help narrow the gap between themselves and the other OPEC producers, and make it easier for the cartel to restore a single unified price, their move has had the opposite effect.

"The Saudis raised the floor price," noted one Western oil analyst, "so the others just pushed up the ceiling."

Mexico, a non-OPEC producer, raised prices last week by $1.50 a barrel and oil industry analysts predicted that other major non-OPEC producers — Egypt, Norway, Britain and Oman — will lift their rates as well, since their policies have always been to stay a few dollars ahead of the average OPEC rate.

# *Planned U.S. Truck Duty Could Hurt Japan Trade*

By Clyde H. Farnsworth

WASHINGTON, May 21 (NYT) — The Treasury announced yesterday that it would raise tariffs on certain types of imported pickup trucks. The move could have potentially great significance for the domestic automotive industry and trade with Japan.

Currently, the trucks subject to the ruling are classified as incomplete vehicles because the cab chassis is shipped separately from the body. Usually, the pieces are put together upon arrival with only four bolts. As incomplete vehicles, they pay only a 4-percent duty.

Under the decision, which is effective within 90 days, the imported trucks will be charged the 25 percent tariff that applies to fully assembled units — unless President Carter exercises his authority to reduce the levy.

The action has attracted more than usual interest because the Japanese automakers — mainly Toyota Motor and Nissan Motor — ship $1.4 billion of such trucks annually to the United States.

The subcompact vehicles, much smaller than full-size U.S. pickups, have been popular because of their relatively modest cost and low energy use. Comparable vehicles are made in the United States only by Volkswagen.

Volkswagen, Ford and the United Auto Workers had pressed for the reclassification of imported pickups, but the Treasury delayed its decision, fearful that the sharply higher duty would be perceived as protectionist.

Now the Carter administration is locked in what is described as a heated interagency struggle over whether to lower the 25 percent tariff to the 8½ percent that was applied to trucks in the first half of the 1960s.

The tariff was raised in the mid-1960s to retaliate against European actions, mainly from West Germany, that raised import barriers against U.S. chickens.

At that time, the Japanese had practically no market in pickup trucks in the United States and, since they were not involved in the dispute with Europe, a loophole was opened to permit them to ship in the incomplete vehicles at the lower duty.

# CURRENCY RATES

Interbank exchange rates for May 21, 1980 excluding bank service charges

| | $ | £ | D.M. | F.F. | H.L. | Gldr. | B.F. | S.F. | D.K. |
|---|---|---|---|---|---|---|---|---|---|
| Amsterdam | 1.9465 | 4.559 | 109.94 * | 47.22 * | 0.234 | — | 6.851 * | 118.14 * | 25.28 * |
| Brussels (a) | 28.73 | 66.6165 | 16.8925 | 6.8968 | 3.415 * | 14.6425 | — | 17.255 | 5.1385 |
| Frankfort | 1.7875 | 4.1625 | — | 42.98 * | 2.124 x | 90.96 * | 6.234 * | 107.70 * | 22.02 * |
| London (b) | 2.3265 | — | 4.1585 | 9.68 | 1,957.50 | 4.5715 | 66.67 | 3.865 | 12.9633 |
| Milan | 842.55 | 1,955.80 | 470.29 | 201.93 | — | 427.60 | 29.292 | 506.65 | 150.58 |
| New York | — | 2.2293 | 0.5392 | 0.2299 | 0.1187 * | 0.5091 | 0.0349 | 0.6015 | 0.1792 |
| Paris | 4.163 | 9.668 | 232.84 * | — | 4.951 x | 211.88 * | 14.5055 * | 250.59 * | 74.58 * |
| Zurich | 1.6428 | 3.865 | 92.945 * | 39.9796 * | 0.1976 | 84.6309 * | 5.7999 * | — | 29.79 * |
| ECU | 1.4041 | 0.6865 | 2.5155 | 5.8566 | 1,182.98 | 2.764 | 40.2967 | 2.3086 | 7.8568 |

**Dollar values**

| $ Equiv. | Currency | Per U.S.$ | $ Equiv. | Currency | Per U.S.$ | $ Equiv. | Currency | Per U.S.$ |
|---|---|---|---|---|---|---|---|---|
| 0.0341 | Belgian fin. franc | 29.325 | 0.2833 | Hong Kong $ | 4.92 | 0.2085 | Saudi Riyal | 3.328 |
| 0.8423 | Canadian $ | 1.1597 | 2.883 | Irish £ | 0.4801 | 0.0783 | Schilling | 12.775 |
| 0.1791 | Danish krone | 5.5837 | 0.022 | Israeli £ | 45.44 | 0.4664 | Singapore $ | 2.144 |
| 0.0233 | Drachma | 42.85 | 3.7719 | Kuwaiti dinar | 0.2654 | 0.2374 | Swedish krona | 4.212 |
| 0.0283 | Escudo | 49.215 | 0.2041 | Norw. krone | 4.90 | 0.2687 | U.A.E. dirham | 3.722 |
| 0.2798 | Fin. mark | 3.573 | 0.0141 | Pesata | 71.12 | 0.0945 | Yen | 224.07 |

£ Sterling: 1.1138 Irish £.

(a) Commercial franc. (b) Amounts needed to buy one pound. (*) Units of 100. (x) Units of 1,000.

ADVERTISEMENT

XEROX CORPORATION
(CDR's)

The undersigned announces that as from 30th May, 1980 at Kas-Associatie N.V., Spuistraat 172, Amsterdam, div. ep. n° 24 of the CDR's Xerox Corporation, each repr. 1 share, will be payable with Dfls. 1,22 net (div. per record-date 3.7.1980; gross $.70 p. sh.) after deduction of 15% U.S.A.-tax = $.105 = Dfls. .21 per CDR.
Div. ep. belonging to non-residents of The Netherlands will be paid after deduction of an additional 15% U.S.A.-tax (= $.105 = Dfls. .21) with Dfls. 1,01 net.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 12th May, 1980.

ADVERTISEMENT

IMPERIAL CHEMICAL INDUSTRIES LIMITED
(CDR's)

The undersigned announces that as from 30th May, 1980, at Kas-Associatie N.V., Spuistraat 172, Amsterdam, div. ep. n° 17 of the CDR's Imperial Chemical Industries Limited, will be payable with Dfls. 4,98 per CDR repr. 10 shs. and Dfls. 24,90 per CDR repr. 50 shs. (re final dividend 1979 11 p. per share. Tax credit $.471/2,355 = Dfls. 2,13/10,65 per CDR. repr. 10 shs./50 shs. Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this facility.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 13th May, 1980.

INTERNATIONAL BIDDING

BRASWEY S/A. INDÚSTRIA E COMERCIO, foreseeing the enlargment and modernization of an industrial unit located in Cambé - PR., is interested in acquiring machines and equipment for the production of vegetable oils.
The purpose of this communication is to invite interested parties to present their proposals in writing to the following address: Rua Enxovia, 423/455 - São Paulo - SP. - BRAZIL - CEP 04711.

Weekly net asset value
on May 19, 1980
Tokyo Pacific Holdings N.V.
U.S. $79.88
Tokyo Pacific Holdings (Seaboard) N.V.
U.S. $58.19
Listed on the Amsterdam Stock Exchange
Information: Pierson, Heldring & Pierson N.V., Herengracht 214, Amsterdam

Associated Japanese Bank (International) Limited

Extract from Audited Accounts

| | 29th Feb. 1980 £000 | 28th Feb. 1979 £000 |
|---|---|---|
| Share Capital | 10,000 | 7,000 |
| Retained Profit | 6,521 | 5,480 |
| Subordinated Loans (£ equivalent) | 10,010 | 12,353 |
| Deposits | 425,555 | 423,473 |
| Loans | 236,685 | 240,388 |
| Total Assets | 465,401 | 458,622 |
| Profit before Taxation | 3,454 | 3,612 |
| Profit after Taxation | 1,475 | 1,621 |

The Sanwa Bank Limited
The Nomura Securities Co Ltd
ajb
The Mitsui Bank Limited
The Dai-Ichi Kangyo Bank Limited

An International Consortium Bank
(Shareholders' aggregate assets well exceeding U.S.$180,000 million)
Associated Japanese Bank (International) Limited
29-30 Cornhill, London EC3V 3QA
Tel: 01-623 5661. Telex: 883661

# U.S. Delays Decision in Steel Dumping Case

WASHINGTON, May 21 (AP-DJ) — A high-ranking U.S. official said yesterday that the administration has not decided when it may seek to negotiate a settlement of steel industry dumping complaints either with foreign governments or steel producers in Western European countries.

Robert Hormats, deputy U.S. trade negotiator, said at a press briefing that government officials have authority to undertake such talks to obtain assurances that Western European steelmakers, for example, would revise their prices upward if warranted by results of U.S. probe of imported steel prices.

The Commerce Department is investigating complaints from U.S. Steel that European producers have been selling carbon steel products in the U.S. market at unfairly low prices.

But Mr. Hormats added that the Carter administration has not yet made a decision "as to when or with whom" it might eventually undertake such negotiations that could result in termination of the anti-dumping complaints against steelmakers in West Germany, France, Italy, Britain, Belgium, the Netherlands and Luxembourg.

Congress authorized the U.S. trade negotiator, currently Reubin Askew, to seek a negotiated settlement of dumping complaints such as U.S. Steel filed with the Commerce Department in March.

### Late October

Mr. Hormats suggested that such a negotiated settlement of the steel import controversy is not likely to be examined closely by administration officials until they first know whether Commerce will rule in late October against the imports from the EEC countries.

The Commerce Department still is in the preliminary stages of the anti-dumping inquiry. The department has not yet received answers to questionnaires sent to European steelmakers, asking them about their exports to the United States and the prices they charge for several types of carbon steel sheet, shapes and other products.

### Full Distance

Mr. Askew's authority under U.S. law to step into the steel case to negotiate either with foreign governments or steel-producer federations in Europe is somewhat restricted, according to U.S. trade-policy officials. Mr. Askew could do this at any time, but any agreements still would be subject to final approval by the Commerce secretary.

A number of knowledgeable international trade experts in Washington doubt that U.S. Steel's complaints will go the full distance, winding up with a government conclusion in early 1981 that the imports have been at less-than-fair-value prices and injurious to domestic steelmakers.

Separately, U.S. officials hope to persuade David Roderick, head of U.S. Steel, to withdraw the complaints. Both steel industry sources and government officials think there is some slight chance that this could happen as a result of some technical changes in the suspended steel import "trigger-price" system.

### Textile Dispute

The administration refused earlier this year to modify the mechanism as domestic steel producers were demanding, effectively to set higher price floors for steel imports.

On other international trade issues, Mr. Hormats said that the administration hopes to resolve the trade dispute with the EEC regarding British curbs on certain textile imports "in the next month or month and a half."

Mr. Hormats said the United States is seeking compensatory trade concessions from the EEC, and does not want to resort to retaliatory trade actions. He appeared reasonably confident that the EEC would provide the United States with trade concessions to offset the loss of exports of certain textile fibers to Britain.

The trade official said that China is not seeking special tariff preferences from the United States such as other developing nations have for their exports of certain manufactured and semi-manufactured goods. Mr. Hormats said China, in any event, would not be eligible for such duty-free privileges in the United States unless it first joined the General Agreement on Tariffs and Trade.

## Japanese Trade Concerns EEC

BRUSSELS, May 21 (AP-DJ) — The European Economic Community notified Japan in bilateral talks yesterday of the community's deep concern over the deteriorating trade imbalance between the two but issued no specific demands at high-level consultations this week, an EEC spokesman said today.

He said that the trend late last year toward a slowdown in the growth of the EEC's deficit with Japan had been reversed in the first quarter of this year. The gap in January through March was $1.7 billion, up 30 percent from the like 1979 period, he noted.

The spokesman said that the problem was accentuated the EEC's bleak economic outlook, with slow growth, high inflation and rising unemployment forecast.

### Sees Danger in Too Much Control

## *Volcker Issues Warning Over Futures*

WASHINGTON, May 21 (Reuters) — Legislation to control commodities futures speculation should be approached carefully, Paul Volcker, chairman of the Federal Reserve Board, urged today.

He told a Congressional subcommittee that excessive regulation may simply drive such futures trading off the organized exchanges or offshore where the threat of abuse which harms U.S. investors and institutions will be greater.

Mr. Volcker suggested that in any new regulations, financial futures — including gold and silver, foreign exchange, and treasury securities — be treated in a seperate category from the traditional futures in agricultural commodities.

The Fed chairman said these financial futures are of a more direct and immediate interest to the Treasury and Federal Reserve, the implication being that they should be subject to tighter regulation.

But Mr. Volcker said he was proposing no specifics for new regulatory legislation.

### Margin Requirements

He said the government should reexamine the method by which competing commodities exchanges set margins. They compete in laxity of margin requirements and if the government helped set such requirments the public might be better served, he suggested.

Mr. Volcker said that margin calls stemming from the recent drop in silver prices raise questions about the use of credit to answer margin calls. One issue, he said, is whether there should be regulations limiting the amount of credit used to finance acquisitions or whether, at the least, there should be regulations governing the kinds of collateral used to secure such credits.

### Contribute to Inflation

The Fed chairman also said that recent speculation in the gold and silver markets contributed to inflation and other such speculation can do likewise.

Mr. Volcker told the House panel in his prepared statement that "recurring headlines detailing the substantial and cumulative rise in gold and silver prices . . . surely worked to reinforce inflationary expectations in 1979 and early 1980."

He said the Fed is concerned about recent commodities speculation because of its spillover effect on financial markets, the effective functioning of which concerns the board greatly.

In the recent silver speculation, the Fed was worried that transactions financed by credit contributed to the speculation, diverted financing from more productive uses, and was excessive. The use of credit in this way ultimately can threaten the safety and soundness of financial institutions, Mr. Volcker said.

### Hunt Loan Not Completed

WASHINGTON, May 21 (Reuters) — A large bank loan to the billionaire Hunt brothers has not yet been completed, Federal Reserve Board Chairman Paul Volcker told a Congressional subcommittee today.

He did not indicate what steps remain, or how close to completion the loan may be.

The Hunts have been negotiating the loan, reportedly totaling between $800 million and $1 billion, to help pay off their silver speculation debts.

## Ebond Prices Up Sharply As Rates Drop Near Low

LONDON, May 21 (AP-DJ) — Eurodollar bond and note prices were marked up sharply in active trading today as short-term Eurodollar deposit rates fell to near their 1979 lows.

Three-month Eurodollar deposit rates dropped to 10.63 percent offered, down from 11.69 percent yesterday while the six-month rate fell to 10.75 percent from 11.50 percent. In 1979, the three-month offered rate fell as low 10.44 percent at the end of January while the six-month rate reached a low of 10.56 percent in April.

Dealers said that the ability of traders and banks to fund bond holdings at a substantial profit accounted for much of the demand for bonds. One senior dealer mentioned that banks have been able to obtain large five and seven-year deposits and lock in substantial funding profits on bond positions.

Recent issues, which had been trading at large discounts from issue price, rose sharply. For instance, a $100 million, 10-year issue of Anheuser Busch bearing 11.25 percent moved up to 97.75-98.25 from 96.5-97, while Goodyear's $75 million, seven-year issue bearing 12.5 percent also was quoted at 97.75-98.25, above the syndicate bid of 97.5. The issue was priced at par.


SOCIETE GENERALE

ENTERS THE U.S. COMMERCIAL PAPER MARKET

SOCIETE GENERALE, PARIS, announces that it has commenced commercial paper issuance through a newly formed subsidiary, SOCIETE GENERALE NORTH AMERICA INC. Moody's Investors Service and Standard and Poor's Corp. have assigned their highest commercial paper ratings, P-1 and A-1, respectively, to SOCIETE GENERALE as Guarantor of SGNA.

Lehman Commercial paper Inc. has been appointed by the Bank as Agent for the sale of SGNA's commercial paper notes. SOCIETE GENERALE is the seventh largest bank in the free world in terms of deposits as ranked by the American Banker.



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## COMPANY REPORTS

Revenue, Profits in Millions, In local currencies, unless otherwise indicated

**Britain**

| BOC Int'l | | |
|---|---|---|
| 1st Half | 1980 | 1979 |
| Revenue...... | 615.90 | 624.10 |
| Profits........ | 19.50 | 17.30 |
| Per Share..... | 0.0489 | 0.0432 |

| Whitbread | | |
|---|---|---|
| Year | 1979 | 1980 |
| Revenue...... | 738.5 | 659.9 |
| Profits........ | 54.0 | 44.8 |

**Japan**

| Teijin | | |
|---|---|---|
| Year | 1980 | 1979 |
| Revenue...... | 403,347. | 337,109. |
| Profits........ | 7,209. | 2,232. |
| Per Share..... | 10.03 | 3.24 |

**Sweden**

| Volvo | | |
|---|---|---|
| 1st Quar | 1980 | 1979 |
| Revenue...... | 5,920. | 5,320. |
| Profits........ | 385.0 | 235.0 |
| Per Share..... | 9.10 | 6.70 |

**United States**

| Federated Department Stores | | |
|---|---|---|
| 1st Quar | 1980 | 1979 |
| Revenue...... | 1,320. | 1,210. |
| Profits........ | 26.50 | 28.05 |
| Per share..... | 0.54 | 0.57 |

| K-Mart | | |
|---|---|---|
| 1st Quar | 1980 | 1979 |
| Revenue...... | 2,980. | 2,620. |
| Profits........ | 39.6 | 45.6 |
| Per Share..... | 0.32 | 0.37 |

## European Gold Markets

May 21, 1980

| | A.M. | P.M. | N.C. |
|---|---|---|---|
| London | 511.75 | 513.50 | +5.75 |
| Zurich | 510.50 | 513.00 | +8.50 |
| Paris (12.5 kilo) | 537.79 | 536.40 | +4.54 |

Official morning and afternoon fixings for London and Paris, opening and closing prices for Zurich.
U.S. dollars per ounce.


Gold Options (prices in $/oz.)

| Price | Aug. 80 | Nov. 80 | |
|---|---|---|---|
| 530 | 27.00-30.00 | — — | Options for Feb. 1981 start on 4th Aug. 80 |
| 550 | 18.00-21.00 | — — | |
| 570 | 14.00-17.00 | 33.00-37.00 | |
| 590 | 10.00-13.00 | 29.00-33.00 | |
| 610 | 7.00-10.00 | 25.00-29.50 | |

May large expire on 22 May, at 11 a.m.
Put options available on request.
Gold bullion 508.00-511.00

Valeurs White Weld S.A.
1, Quai du Mont-Blanc
1211 Geneva 1, Switzerland
Tel. 310251 - Telex 28305



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J. LYONS & COMPANY LIMITED
(CDR's)

The undersigned announces that the deposited property for the still outstanding CDR's of ord. shs. Lyons and of 7% conv. red. cum. pref. shs. Lyons has been sold.
As from May 29th, 1980, can be obtained at Kas-Associatie N.V., Spuistraat 172, Amsterdam, against delivery of the CDR's Lyons:
a. for each CDR of ord. shs. Lyons: an amount in cash of Dfls. 156,41 (including Dfls. 15,71 dividend still due);
b. for each CDR of 7% pref. Lyons, a 50 shs.: an amount in cash of Dfls. 191,96 (including Dfls. 19,28 dividend still due).
This dividend relates to special interim div. 1.4 per share per 13.10.78 and second interim div. 2.99 p. per share per 1.3.79, the final div. per 3.8.79, 1.8314 p. per share and the interim div. 2 p. per 29.2.80 per share Allied Breweries Limited.

AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, May 14th, 1980.


# NYSE Nationwide Trading Closing Prices May 21

Tables include the nationwide prices up to the closing on Wall Street.

(Continued from Page 18)

| 12 Month High | Low | Stock | Div. In $ | Yld. | P/E | Sls. 100s. | High | Low | Close Quot. | Ch'ge Prev Close |
|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | | |


OIL COMPANY STRATEGIES FOR THE 1980's

LONDON CONFERENCE, JUNE 19 AND 20

Chief executives of three major oil companies will discuss their prospects and changing roles for the coming decade at the forthcoming International Herald Tribune/Oil Daily conference on "The New Energy Emergency: Oil and Money." For further information, contact the International Herald Tribune Conference Office, 181 avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel: 747.12.65, ext. Telex: 612832.


## Selected Over-the-Counter

Closing Prices, May 21, 1980

NEW YORK (AP)— The following list is a selected National Securities Dealers Assn. over the counter Bank, Insurance & Industrial stocks.

| Stock | Bid | Asked | Stock | Bid | Asked | Stock | Bid | Asked | Stock | Bid | Asked |
|---|---|---|---|---|---|---|---|---|---|---|---|
| AELInd | 7½ | 7¾ | ComCIH | 29 | 29¼ | InBkWsh | 11⅝ | 11¾ | PennEnt | 13¼ | 13¾ |
| AVMCo | 2⅞ | 3⅛ | CmlShr | 14½ | 16 | Intersil | 17⅜ | 18⅛ | Pentair | 14¼ | 14¾ |
| Accuray | 7⅜ | 7⅝ | CmwTel | 16 | 18 | IwaSoUt | 21⅜ | 22¼ | Petrolit | 49 | 50 |
| AddisnW | 8 | 8¾ | ConPap | 49½ | 50½ | Jamsby | 17¼ | 18 | Pettibon | 22½ | 22¼ |
| AdvRoss | 4½ | 4⅞ | Cordis | 21¾ | 22¾ | Jerrico | 17½ | 18 | PhilaNat | 27½ | 28 |
| AffiBsh | 25 | 26 | CravRes | 49¼ | 50¼ | JiffyFd | ½ | ⅝ | PierceSS | 8⅜ | 8⅞ |
| AlaBnco | 20¼ | 21¼ | CrosTre | 30¼ | 30¾ | JoslynM | 18¼ | 19 | Pinkrtn | 36 | 37½ |
| AlexAlex | 32 | 32¾ | CullrFed | 1⅞ | 2⅛ | Kaisst of | 17¼ | 18 | PionHiB | 21⅜ | 21⅞ |
| Allcoinc | 30 | 32 | Cyclron | 9 | 10 | Kalvar | 2⅛ | 2½ | Plastine | ¾ | 1⅛ |
| AllynB | 11 | 12 | DanlyM | 21½ | 23 | Kaman | 19¾ | 20¼ | Pascis | 3⅜ | 4⅛ |
| Allex | 4⅛ | 4⅜ | DtaDes | 16¾ | 17¼ | KmsAm | 9¾ | 10¼ | PresGM | 38½ | 39½ |
| Amarex s | 27½ | 28¼ | DaylMal | 16½ | 18 | KateGre | ½ | ⅝ | PrsSlevn | 33¾ | 34¾ |
| AFInCp | 29¼ | 30¼ | DBeer | 9 1-16 | 9 5-16 | Kaysam | 3⅛ | 4⅛ | Proarp | ¾ | 1⅛ |
| AFurn | 3⅝ | 4⅛ | DekibAg | 29¼ | 30 | KellySv s | 23 | 24½ | PbSvNC | 11¾ | 12¼ |
| AGreet | 11½ | 11⅞ | DetConT | 10½ | 11½ | Kevitel | 14¼ | 17¼ | PortBen | 16 | 16¾ |
| [illegible] | | | | | | | | | | | |

## Eurocurrency Interest Rates

May 21, 1980

| | Dollar | D-Mark | Swiss Franc | Sterling | Deutsche |
|---|---|---|---|---|---|
| 1 M. | 9 15/16 - 9 7/16 | 9⅝ - 9⅞ | 6⅛ - 6¼ | 17½ - 17¾ | 12¼ |
| 2 M. | 10 ¼ - 10 ⅜ | 9⅞ - 9⅞ | 6 1/16 - 3/16 | 17⅜ - 17⅝ | 12 1/ |
| 3 M. | 10 ½ - 10 ⅝ | 9⅝ - 9⅞ | 6 1/16 - 3/16 | 17⅜ - 17⅝ | 12⅝ |
| 6 M. | 10 ⅝ - 10 ¾ | 9⅝ - 9⅞ | 6 1/16 - 3/16 | 16⅝ - 16⅞ | 13 - |
| 1 Y. | 10 ¾ - 10 ⅞ | 8⅞ - 9 | 5⅞ - 6 | 14⅝ - 15⅛ | 13 ⅛ |

## Floating Rate Notes

Closing prices, May 21, 1980

**Banks**

| Issuer-Min cpn-Mat. | Coupon | Next | Bid | Asked |
|---|---|---|---|---|
| African Dvl. Bk 7-83 | 15 | 7-30 | 98¼ | 98¾ |
| Alahli Kuwait 5¼-83 | 16⅜ | — | 98 | 98½ |
| Allied Irish 5¼-84 | 17 5/16 | 9-29 | 101⅛ | 101⅝ |
| Allied Irish 5¼-87 | 15½ | 7-2 | 97½ | 98 |
| Amex Fin 1983 | 16⅜ | 10-22 | 102 | 102½ |
| Andelsbanken 7-84 | 14 5/16 | 8-4 | 98⅜ | 98⅞ |
| Arab Intl Bank 6¼-83 | 15 1/16 | 8-1 | 97¾ | 98 |
| [illegible] | | | | |

**Non Banks**

| Issuer-Min cpn-Mat. | Coupon | Next | Bid | Asked |
|---|---|---|---|---|
| [illegible] | | | | |

هكذا من الأصل

# AMEX Nationwide Trading Closing Prices May 21

Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

| 12 Month High | Low | Stock Div. In | $ | Yld. | P/E | Sls. 100s. | High | Low | Close Quot. | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 14 | 8⅝ | TandB | .40 | 3.6 | 5 | 1 | 11¼ | 11⅛ | 11¼ | |
| 9 | 3⅝ | Tannet | .28b | 6.8 | 5 | 17 | 4⅛ | 4⅛ | 4⅛— | ⅛ |
| 13¾ | 9½ | Tasty | 1.20b | 9.5 | 10 | 1 | 12¼ | 12¼ | 12¼+ | ⅛ |
| 5⅝ | 2 | TechSym | | | 9 | 42 | 3⅝ | 3½ | 3½— | ⅛ |
| 13¾ | 7 | TechOp | | | 8 | 10 | 8⅝ | 8 | 8⅛+ | ⅛ |
| 9⅝ | 4½ | Tectrol | .28 | 4.4 | 6 | 8 | 6½ | 6⅜ | 6⅜— | ⅛ |
| 84¾ | 37½ | TelonR | | | 49 | 24 | 52 | 51 | 51 | —1½ |
| 35¾ | 18⅝ | TelRex | .50 | 2.3 | 8 | 23 | 22⅛ | 21¾ | 22¼+ | ¼ |
| 21 | 7⅝ | Telscl | | | 9 | 53 | 8⅝ | 8⅝ | 8⅝— | ⅛ |
| 4⅜ | 4⅝ | Tenney | s | | 10 | 3 | 4⅞ d | 4⅜ | 4⅝— | ⅛ |
| 10⅝ | 6⅛ | TerraC | | | 10 | 33 | 8½ | 8¼ | 8⅜+ | ⅛ |
| 12⅝ | 5⅜ | TetraT | | | | 3 | 7½ | 7½ | 7½ | |
| 13⅝ | 6⅝ | TexlAir | .16 | 1.8 | 2 | 52 | 8⅝ | 8⅝ | 8⅝ | |
| 18⅝ | 10¼ | Textron | wt | | | 2 | 12½ | 12½ | 12½— | ⅛ |
| 2⅝ | ⅝ | ThorCp | | | 13 | 6 | 1⅛ | 1⅛ | 1⅛ | |
| 29⅝ | 19½ | Thrftm | 1.40 | 5.8 | 3 | 3 | 24 | 23⅞ | 24 + | ⅛ |
| 8¼ | 3⅝ | Tidwell | | | 8 | 72 | 8¼ | 7⅞ | 8¼+ | ½ |
| 98⅝ | 65 | TolEdol | 10 | 13. | | z10 | 77 | 77 | 77 | —1 |
| 7⅞ | 2¼ | ToppsG | | | | 1 | 3⅝ | 3⅝ | 3⅝+ | ⅛ |
| 17½ | 12⅞ | TorInCp | 1 | 7.1 | 4 | 3 | 14⅛ | 14⅛ | 14⅛— | ⅛ |
| 31⅝ | 16¼ | TotlPet | 9.48 | | 12 | x109 | 22⅝ | 22 | 22¼+ | ¼ |
| 21⅝ | 10⅞ | TotPet | wt | | | 69 | 14 | 13½ | 13½+ | ⅛ |
| 3⅜ | 2⅛ | TownCtry | | | 8 | 7 | 2⅛ | 2⅛ | 2⅛— | ⅛ |
| 22⅝ | 12½ | Towner | s.47e | 5.1 | 45 | 24 | 13¼ | 13 | 13⅛ | |
| 7⅛ | 2½ | Trafler | .12 | 3.6 | 13 | 19 | 3⅝ | 3½ | 3⅝ | |
| 8½ | 4¼ | TransLux | .10e | 1.7 | 6 | 54 | 5⅝ | 5⅝ | 5⅝+ | ⅛ |
| 17⅝ | 8¼ | TranOil | .05e | .4 | | 124 | 11⅝ | 11½ | 11⅝+ | ⅛ |
| 11⅝ | 5⅝ | TransTec | n.24 | 3.0 | 11 | 5 | 8 | 8 | 8 | |
| 8⅛ | 5⅛ | Tradwy | .28 | 4.6 | 7 | 1 | 6⅛ | 6⅛ | 6⅛+ | ⅛ |
| 15⅝ | 6½ | TriaCp | .20 | 2.7 | | 31 | 7½ | 7⅛ | 7⅜— | ⅛ |
| 24⅝ | 8½ | TritOil | n | | 37 | 483 | 22⅝ | 20⅝ | 22⅛+ | 1⅝ |
| 41⅝ | 21 | TritOil | pf1.96 | 5.3 | | 45 | 38 | 36⅛ | 38 + | 1⅝ |
| 10⅝ | 5⅛ | TobaMx | g | | 13 | 378 | 9⅛ | 8⅝ | 9 — | ⅛ |
| 31 | 25 | TurnrC | 2.20 | 8.1 | 5 | 8 | 27¼ | 27 | 27 — | ½ |
| 7⅝ | 3½ | TwinFr | .20 | 5.7 | 8 | 14 | 3⅝ | 3½ | 3½— | ⅛ |

| 12 Month High | Low | Stock Div. In | $ | Yld. | P/E | Sls. 100s. | High | Low | Close Quot. | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| | | — U—U—U — | | | | | | | | |
| 15⅛ | 8½ | U&I | | | 51 | 20 | 9⅝ | 9⅝ | 9⅝— | ⅛ |
| 7¼ | 3½ | UNA | .28 | 6.3 | 3 | 44 | 4⅝ | 4½ | 4⅝ | |
| 12⅜ | 5⅛ | URS | .40 | 3.7 | 9 | 23 | 10⅝ | 10⅝ | 10⅝+ | ⅛ |
| 7⅝ | 4 | Unimax | | | 5 | 9 | 5 | 4⅞ | 4⅞ | |
| 23⅝ | 13 | UAirPd | .48 | 2.8 | 12 | 16 | 18 | 17⅝ | 17⅝+ | ¼ |
| 5⅝ | 4 | UnAsbst | | | | 31 | 4⅝ | 4⅝ | 4⅝+ | ¼ |
| 17½ | 10 | UnCosF | .72b | 6.7 | 5 | 12 | 10⅝ | 10½ | 10⅝+ | ¼ |
| 2½ | 1⅛ | UnFoods | .15e | 8.6 | 13 | 5 | 1⅝ | 1⅝ | 1⅝ | |
| 7⅛ | 4 | UNatCp | | | 29 | 17 | 5 | 4⅞ | 4⅞— | ⅛ |
| 8⅝ | 4⅛ | UNitCp | pf | | | 5 | 7⅛ | 7⅛ | 7⅛ | |
| 12⅛ | 7⅛ | UnRitT | .99e | 11. | 10 | 8 | 9½ | 9⅛ | 9⅛— | ⅛ |
| 7⅛ | 5⅛ | UReptn | .23r | 5.2 | 43 | 1 | 6⅛ | 6⅛ | 6⅛— | ⅛ |
| 5⅛ | 2⅝ | USAir | wt | | | 8 | 3⅝ | 3⅝ | 3⅝ | |
| 16⅛ | 10 | USFiltr | .36 | 2.6 | 6 | 78 | 13⅞ | 13⅝ | 13⅞— | ⅛ |
| 5⅛ | 2⅝ | USRdium | | | 14 | 5 | 3⅝ | 3⅝ | 3⅝ | |
| 11⅝ | 5 | UnityB | | | 8 | 40 | 6⅛ | 6⅛ | 6⅛ | |
| 7⅝ | 5 | UnivCla | .05 | .7 | 4 | 13 | 6⅝ | 6⅝ | 6⅝ | |
| 27½ | 13⅝ | UnivRs | .32 | 1.4 | 14 | 52 | 22⅝ | 22 | 22⅝ | |
| 10⅞ | 7⅛ | UnivRu | .72 | 8.3 | 5 | 1 | 8⅝ | 8⅝ | 8⅝— | ⅛ |
| | | — V—V—V — | | | | | | | | |
| 18½ | 11½ | ValtyRs | n1.08b | 9.2 | 5 | 1 | 11⅝ | 11⅝ | 11⅝— | ⅛ |
| 13⅝ | 7⅝ | Valmac | .20f | | | 91 | 11⅝ | 11½ | 11⅝+ | ⅛ |
| 10 | 6½ | Valspar | .44 | 6.0 | 5 | 4 | 7⅛ | 7⅛ | 7⅛— | ⅛ |
| 4⅝ | 2½ | ValueL | .07e | 2.0 | | 10 | 3½ | 3⅛ | 3½ | |
| 2½ | 1⅛ | Verit | | | 5 | 1 | 1⅝ | 1⅝ | 1⅝ | |
| 22⅝ | 14⅝ | VermtA | .32b | 2.0 | 6 | 5 | 15⅝ | 15⅝ | 15⅝— | ⅛ |
| 12⅝ | 5⅝ | Vermitrn | .10 | 1.1 | 6 | 45 | 9⅛ | 8⅝ | 9 — | ⅛ |
| 7⅛ | 4½ | Verlipie | .10b | 2.1 | 3 | 12 | 4⅝ | 4⅝ | 4⅝— | ⅛ |
| 11⅝ | 7½ | Vicon | n | | 8 | 52 | 10⅝ | 9⅝ | 10⅛ | |
| 4⅛ | 1⅞ | VintageE | | | 6 | 3 | 2½ | 2½ | 2½ | |
| 15⅛ | 6⅝ | Vishay | .53t | 4.6 | 10 | 22 | 12⅛ | 11⅝ | 11½— | ⅝ |
| 7⅝ | 4⅛ | VisualG | .20 | 2.9 | 14 | 13 | 7 | 6⅝ | 7 | |
| 6⅝ | 3⅝ | VolMer | .12e | 1.9 | 3 | 33 | 6⅛ | 6⅛ | 6⅛— | ⅛ |
| 13 | 7⅛ | Voplex | .52 | 6.7 | 6 | 4 | 7⅝ | 7⅝ | 7⅝— | ⅛ |

| 12 Month High | Low | Stock Div. In | $ | Yld. | P/E | Sls. 100s. | High | Low | Close Quot. | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| | | — W—W—W — | | | | | | | | |
| 6⅝ | 2 | WTC | | | 94 | 3 | 2⅝ | 2⅝ | 2⅝— | ⅛ |
| 9⅝ | 6⅛ | Wackht | .40b | 4.9 | 7 | 9 | 8⅛ | 8⅛ | 8⅛ | |
| 37⅝ | 14½ | Wainoco | s.12 | .4 | 35 | 174 | 28⅛ | 27⅝ | 27⅝+ | ½ |
| 33⅝ | 13⅝ | Walbr | n.16e | .6 | 10 | 14 | 27⅛ | 26⅝ | 27⅛+ | ⅛ |
| 25 | 18 | Walco | .80b | 4.2 | 5 | 1 | 19⅛ | 19⅛ | 19⅛+ | ⅛ |
| 7⅛ | 4 | WalicS | .28 | 4.7 | 6 | 36 | 6⅛ | 6 | 6 — | ⅛ |
| 40 | 17 | Wang B | s.16 | .5 | 20 | 210 | 34 | 33⅛ | 33⅛— | ⅛ |
| 40⅝ | 18⅝ | Wang C | s.06 | .2 | 20 | 24 | 33½ | 32½ | 32⅝— | ⅛ |
| 12⅝ | 8⅝ | WardsCo | .20 | 2.2 | 3 | 7 | 9⅛ | 9 | 9⅛+ | ⅛ |
| 25⅝ | 15⅝ | WshPost | .44 | 2.5 | 6 | 47 | 17⅝ | 17 | 17⅝+ | ⅝ |
| 29⅝ | 14⅝ | Withtrd | n1.17t | 4.7 | 12 | 51 | 25⅝ | 24⅝ | 25 + | ½ |
| 5⅝ | 2⅝ | Welman | .06e | 1.2 | | 2 | 4⅝ | 4⅝ | 4⅝+ | ⅛ |
| 24⅝ | 8⅝ | WeldTu | s.20 | 2.7 | 4 | 32 | 11½ | 10⅝ | 11 — | ⅝ |
| 5⅝ | 4 | Wellco | .12e | 2.8 | | 7 | 4⅛ | 4⅛ | 4⅛ | |
| 36⅝ | 15⅝ | Wstrm | g s.70 | 2.8 | | 236 | 25⅝ | 25 | 25⅛+ | ½ |
| 38⅝ | 12⅝ | WstFin | .52 | 2.6 | 3 | 82 | 21⅛ | 20 | 20⅝— | 1 |
| 11⅝ | 4½ | Whitehall | | | 10 | 4 | 6⅝ | 6⅝ | 6⅝— | ⅛ |
| 18⅝ | 6⅝ | Wichita | .45t | 3.0 | 24 | 18 | 15 | 14⅝ | 15 + | ¼ |
| 2⅝ | 1⅛ | WillcxG | g | | 2 | 4 | 1⅝ | 1⅝ | 1⅝ | |
| 24⅝ | 13⅝ | Wmhous | .70 | 4.0 | 7 | 9 | 17⅝ | 17⅝ | 17⅝— | ¼ |
| 2⅛ | 1⅛ | WilsnB | | | | 1 | 1⅛ | 1⅛ | 1⅛+ | ⅛ |
| 25¼ | 12⅝ | Wincorp | .40 | 2.4 | 34 | 2 | 15½ | 15½ | 15½ | |
| 48 | 29⅝ | WisP | pf 4.50 | 12. | | y10 | 38⅝ | 38⅝ | 38⅝+ | ½ |
| 3 | 1⅝ | WolfHB | .20e | 8.9 | 7 | 12 | 2⅛ | 2⅛ | 2⅛ | |
| 12⅝ | 6 | WkWear | .44 | 4.2 | 6 | 74 | 11 | 10⅝ | 10½— | ⅛ |
| 24 | 9⅝ | WwEngy | n | | 24 | 106 | 15⅝ | 15⅛ | 15⅛— | ⅝ |
| 24½ | 12 | Wrathr | .05e | .3 | | 16 | 15 | 14½ | 14½— | ⅝ |
| 6½ | ⅝ | WrightH | g | | 28 | 2 | 9-16 | 2½ 2 | 9-16 | |
| 18 | 11 | Wynns | s .48 | 3.1 | 7 | 170 | 15⅝ | 14⅛ | 15⅛+ | ⅝ |
| 15 | 9¼ | WymBn | .72b | 6.2 | 5 | 4 | 11⅝ | 11½ | 11⅝+ | ⅛ |
| | | — X—Y—Z — | | | | | | | | |
| 10⅝ | 4⅛ | Zimmer | .36 | 5.5 | 7 | 2 | 6½ | 6½ | 6½ | |

## Chicago Futures

May 21, 1980

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **WHEAT** 5,000 bu.; dollars per bu. | | | | | |
| Jul | 4.22 | 4.24 | 4.13½ | 4.17 | —.02¼ |
| Sep | 4.35 | 4.37½ | 4.27½ | 4.30¾ | —.02¾ |
| Dec | 4.53 | 4.55 | 4.45¼ | 4.49½ | —.01½ |
| Mar | 4.66 | 4.69½ | 4.60½ | 4.65 | —.01¼ |
| May | 4.75 | 4.75½ | 4.66 | 4.70½ | —.00½ |
| Jul | 4.75 | 4.75 | 4.68 | 4.68 | |

Sales Tues. 21,094.
Total open interest Tues. 43,265, up 323 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **CORN** 5,000 bu.; dollars per bu. | | | | | |
| Jul | 2.80¼ | 2.81 | 2.78¼ | 2.79 | —.00¾ |
| Sep | 2.90¾ | 2.91½ | 2.88¾ | 2.89½ | —.00½ |
| Dec | 2.97¾ | 2.99¼ | 2.95¾ | 2.97 | —.00¾ |
| Mar | 3.10¼ | 3.11½ | 3.08¼ | 3.09 | —.01 |
| May | 3.17¾ | 3.18¾ | 3.15½ | 3.16¼ | —.01¼ |
| Jul | 3.24 | 3.24½ | 3.21½ | 3.22 | |

Sales Tues. 21,104.
Total open interest Tues. 152,585, up 475 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **SOYBEANS** 5,000 bu.; dollars per bu. | | | | | |
| Jul | 6.25 | 6.29½ | 6.22 | 6.25½ | +.00¾ |
| Aug | 6.34 | 6.38 | 6.30 | 6.34 | +.01½ |
| Sep | 6.43½ | 6.45¾ | 6.38½ | 6.42½ | +.03¼ |
| Nov | 6.57 | 6.61 | 6.53 | 6.56¾ | +.01½ |
| Jan | 6.73 | 6.76 | 6.68 | 6.72 | +.01¼ |
| Mar | 6.87 | 6.91½ | 6.83½ | 6.87 | +.01½ |
| May | 6.98½ | 7.03½ | 6.96 | 7.00 | +.02½ |
| Jul | 7.09½ | 7.12 | 7.06 | 7.09½ | |

Sales Tues. 19,791.
Total open interest Tues. 99,954, up 178 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **SOYBEAN MEAL** 100 tons; dollars per ton | | | | | |
| Jul | 173.20 | 173.70 | 171.90 | 172.30 | —1.00 |
| Aug | 176.00 | 176.20 | 174.50 | 174.90 | —.90 |
| Sep | 178.70 | 178.80 | 177.50 | 177.70 | —.50 |
| Oct | 181.50 | 181.50 | 179.90 | 180.40 | —.40 |
| Dec | 186.00 | 186.00 | 184.80 | 184.80 | —.90 |
| Jan | 188.70 | 188.70 | 186.90 | 187.10 | —.90 |
| Mar | 193.00 | 193.00 | 191.20 | 191.20 | —.80 |
| May | 195.00 | 195.00 | 193.50 | 194.20 | +.20 |
| Jul | 198.00 | 198.00 | 197.50 | 197.50 | —.50 |

Sales Tues. 5,111.
Total open interest Tues. 45,087, up 205 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **SOYBEAN OIL** 60,000 lbs.; dollars per 100 lbs | | | | | |
| Jul | 21.25 | 21.90 | 21.25 | 21.78 | +.57 |
| Aug | 21.50 | 22.15 | 21.50 | 22.02 | +.60 |
| Sep | 21.75 | 22.40 | 21.70 | 22.22 | +.60 |
| Oct | 21.95 | 22.60 | 21.95 | 22.45 | +.55 |
| Dec | 22.27 | 22.95 | 22.27 | 22.83 | +.58 |
| Jan | 22.50 | 23.05 | 22.50 | 22.95 | +.60 |
| Mar | 22.90 | 23.40 | 22.90 | 23.25 | +.48 |
| May | 23.50 | 23.65 | 23.35 | 23.55 | +.47 |
| Jul | 23.70 | 23.90 | 23.60 | 23.75 | +.45 |

Sales Tues. 6,555.
Total open interest Tues. 57,630, off 62 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **OATS** 5,000 bu; dollars per bu. | | | | | |
| Jul | 1.72 | 1.76¾ | 1.67½ | 1.69½ | —.02½ |
| Sep | 1.76 | 1.80½ | 1.70¼ | 1.71¼ | —.04 |
| Dec | 1.82¼ | 1.85 | 1.77 | 1.78¼ | —.04¼ |
| Mar | 1.87¼ | 1.89¼ | 1.83 | 1.83½ | —.04¼ |
| May | 1.84 | 1.85 | 1.84 | 1.85 | |

Sales Tues. 1,152.
Total open interest Tues. 4,575, up 221 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **LIVE BEEF CATTLE** 40,000 lbs.; cents per lb. | | | | | |
| Jun | 64.00 | 64.40 | 63.80 | 63.95 | +.45 |
| Aug | 64.35 | 64.67 | 63.85 | 64.02 | +.17 |
| Oct | 63.40 | 63.50 | 62.75 | 62.82 | —.83 |
| Dec | 64.50 | 64.58 | 63.80 | 63.92 | —.85 |
| Jan | 64.75 | 64.85 | 64.60 | 64.60 | —.35 |
| Feb | 65.30 | 65.45 | 64.80 | 64.85 | —.35 |
| Apr | 65.95 | 65.95 | 65.30 | 65.30 | —.30 |

Est. sales 24,446; sales Tues. 21,848.
Total open interest Tues. 54,276, off 1,889 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **FEEDER CATTLE** 42,000 lbs.; cents per lb. | | | | | |
| Aug | 71.10 | 71.45 | 70.20 | 70.27 | —.38 |
| Sep | 70.95 | 71.20 | 69.50 | 69.75 | —.68 |
| Oct | 70.50 | 70.90 | 70.05 | 70.05 | —.02 |
| Nov | 71.50 | 71.80 | 70.97 | 71.10 | +.15 |
| Jan | 73.00 | 73.00 | 72.80 | 73.00 | +.25 |
| Mar | 73.50 | 73.50 | 73.25 | 73.25 | +.25 |
| Apr | 74.00 | 74.00 | 73.95 | 74.00 | +.40 |

Est. sales 3,436; sales Tues. 3,588.
Total open interest Tues. 12,062, off 83 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **LIVE HOGS** 30,000 lbs.; cents per lb. | | | | | |
| Jun | 33.70 | 33.85 | 33.25 | 33.55 | +.50 |
| Jul | 35.25 | 35.30 | 34.60 | 34.85 | +.18 |
| Aug | 35.20 | 35.20 | 34.25 | 34.47 | —.15 |
| Oct | 34.85 | 34.15 | 33.50 | 35.65 | —.05 |
| Dec | 39.25 | 39.30 | 38.90 | 38.97 | +.10 |
| Feb | 42.15 | 42.45 | 42.00 | 42.22 | +.07 |
| Apr | 41.75 | 42.00 | 41.45 | 41.70 | —.10 |
| Jun | | | | 44.30 | +.30 |
| Jul | 44.95 | 45.10 | 44.30 | 44.30 | —.45 |

Est. sales 6,757; sales Tues. 8,390.
Total open interest Tues. 25,446, up 428 from Mon.

## U.S. Commodity Prices

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **PORK BELLIES** 38,000 lbs.; cents per lb. | | | | | |
| May | 32.50 | 32.50 | 31.70 | 32.10 | +.50 |
| Jul | 33.10 | 33.30 | 32.35 | 32.55 | +.40 |
| Aug | 33.10 | 33.25 | 32.25 | 32.35 | +.25 |
| Feb | 48.25 | 48.25 | 46.67 | 46.72 | +.07 |
| Mar | 48.25 | 48.25 | 46.90 | 46.90 | +.35 |
| May | | | | 47.60 | +.55 |
| Jul | 48.50 | 48.75 | 48.00 | 48.00 | |
| Aug | 48.00 | 48.00 | 47.50 | 47.50 | —.25 |

Est. sales 7,552; sales Tues. 7,575.
Total open interest Tues. 24,075, up 51 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **FRESH BROILER CHICKENS** 30,000 lbs.; cents per lb. | | | | | |
| Jun | 44.00 | 44.80 | 43.50 | 43.57 | —.33 |
| Jul | 44.80 | 44.80 | 44.55 | 44.60 | —.07 |
| Aug | 44.00 | 44.05 | 43.95 | 44.05 | +.10 |
| Oct | 43.00 | 43.00 | 43.00 | 43.00 | +.05 |
| Dec | 43.00 | 43.00 | 43.00 | 43.08 | +.13 |

Est. sales 43; sales Tues. 40.
Total open interest Tues. 972, up 8 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **SHELL EGGS** 22,500 doz.; cents per doz. | | | | | |
| May | . | . | . | 38.50 | . |
| Jun | . | . | . | 45.00 | . |
| Jul | . | . | . | 48.00 | . |
| Sep | 58.00 | 59.10 | 58.00 | 58.00 | +.50 |
| Oct | . | . | . | 55.50 | . |
| Dec | . | . | . | 61.00 | . |
| Jan | . | . | . | 58.20 | . |

Est. sales 21; sales Tues. 3.
Total open interest Tues. 56, unchanged from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **LUMBER old contracts** 100,000 bd. ft. | | | | | |
| Jul | 194.50 | 194.70 | 187.20 | 187.80 | —3.90 |
| Sep | 202.70 | 203.70 | 197.70 | 197.70 | —5.00 |
| Nov | 201.00 | 202.50 | 198.10 | 198.10 | —5.00 |
| **new contracts** 130,000 bd. ft. | | | | | |
| Jan | 194.80 | 195.20 | 190.70 | 190.70 | —5.00 |
| Mar | 207.50 | 207.70 | 203.80 | 203.80 | —5.00 |
| May | 215.00 | 215.00 | 210.90 | 210.90 | —5.00 |
| Jul | 220.00 | 220.00 | 216.20 | 216.20 | —5.00 |
| Sep | 227.00 | 227.00 | 222.00 | 222.00 | —5.00 |

Est. sales 5,288; sales Tues. 3,723.
Total open interest Tues. 11,527, off 463 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **PLYWOOD** 76,032 sq ft; dollars per 1,000 sq ft. | | | | | |
| Jul | 194.00 | 194.00 | 187.90 | 187.90 | —7.00 |
| Sep | 197.50 | 197.70 | 192.10 | 192.10 | —7.00 |
| Nov | 200.00 | 200.00 | 193.80 | 193.80 | —7.00 |
| Jan | 202.70 | 203.00 | 198.20 | 198.20 | —7.00 |
| Mar | 210.80 | 210.80 | 203.80 | 203.80 | —7.00 |
| May | 213.20 | 213.20 | 208.00 | 208.00 | —7.00 |
| Jul | 213.20 | 213.20 | 208.00 | 208.00 | —7.00 |
| Sep | . | . | . | 209.00 | —7.00 |

Sales Tues. 988.
Total open interest Tues. 5,201, up 89 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **U.S TREASURY BILLS** $1 million; pts. of 100 pct. | | | | | |
| Jun | 91.90 | 92.24 | 91.86 | 92.22 | +.48 |
| Sep | 92.15 | 92.30 | 91.79 | 92.20 | +.35 |
| Dec | 91.79 | 92.10 | 91.70 | 91.97 | +.19 |
| Mar | 91.71 | 91.98 | 91.63 | 91.85 | +.17 |
| Jun | 91.55 | 91.77 | 91.46 | 91.73 | +.24 |
| Sep | 91.27 | 91.52 | 91.21 | 91.44 | +.19 |
| Dec | 91.05 | 91.30 | 91.05 | 91.22 | +.22 |
| Mar | 90.80 | 91.01 | 90.80 | 91.00 | +.30 |

Est. sales 21,999; sales Tues. 14,455.
Total open interest Tues. 23,753, up 92 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **GNMA** (8 pct, $100,000 prin. pts. & 32nds of 100 pct.) | | | | | |
| Jun | 78-26 | 79-19 | 78-26 | 79-01 | +15 |
| Sep | 78-27 | 79-18 | 78-26 | 79-20 | +13 |
| Dec | 78-25 | 79-12 | 78-22 | 78-24 | +11 |
| Mar | 78-22 | 79-04 | 78-16 | 78-16 | +09 |
| Jun | 78-15 | 78-24 | 78-09 | 78-09 | +09 |
| Sep | 78-08 | 78-16 | 78-01 | 78-01 | +09 |
| Dec | 78-00 | 78-04 | 77-25 | 77-25 | +09 |
| Mar | | | | 77-18 | +09 |
| Jun | 77-21 | 77-21 | 77-18 | 77-10 | +07 |
| Sep | 77-14 | 77-14 | 77-02 | 77-03 | +04 |
| Dec | 77-08 | 77-08 | 76-28 | 76-28 | +05 |

Sales Tues. 11,247.
Total open interest Tues. 60,038, off 1,199 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **90-DAY COMMERCIAL PAPER LOANS** ($1 million, annualized discount rate) | | | | | |
| Jun | 89.95 | 90.15 | 89.95 | 90.15 | +.50 |
| Sep | 90.14 | 90.42 | 90.18 | 90.25 | +.33 |
| Dec | 89.93 | 90.10 | 89.93 | 90.08 | +.40 |
| Mar | | | | 90.00 | +.40 |

Sales Tues. 71.
Total open interest Tues. 348, up 18 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **LONG TERM TREASURY BONDS** (8 pct.—$100,000 prin; pts & 32nds of 100 pct.) | | | | | |
| Jun | 79-11 | 80-23 | 79-11 | 80-04 | +33 |
| Sep | 79-12 | 80-26 | 79-12 | 80-08 | +34 |
| Dec | 79-22 | 80-21 | 79-13 | 80-07 | +27 |
| Mar | 79-14 | 80-15 | 79-13 | 79-24 | +20 |
| Jun | 79-22 | 80-08 | 79-12 | 79-20 | +20 |
| Sep | 79-02 | 79-28 | 79-02 | 79-15 | +22 |
| Dec | 78-30 | 79-26 | 78-25 | 79-10 | +22 |
| Mar | 78-26 | 79-15 | 78-26 | 79-06 | +22 |

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| Jun | 79-00 | 79-03 | 78-27 | 79-03 | +22 |
| Sep | 78-29 | 79-00 | 78-26 | 79-00 | +22 |
| Dec | 78-17 | 78-30 | 78-17 | 78-29 | +21 |

Sales Tues. 23,022.
Total open interest Tues. 81,118, off 644 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **BRITISH POUND, $ per pound.** | | | | | |
| Jun | 2.3025 | 2.3220 | 2.3025 | 2.3190 | +355 |
| Jul | 2.2900 | 2.2900 | 2.2900 | 2.2900 | +270 |
| Sep | 2.2720 | 2.2940 | 2.2720 | 2.2900 | +345 |
| Oct | | | | 2.2800 | |
| Dec | 2.2550 | 2.2700 | 2.2550 | 2.2675 | +325 |
| Mar | 2.2500 | 2.2500 | 2.2500 | 2.2500 | +270 |

Est. sales 7,192; sales Tues. 2,880.
Total open interest Tues. 10,408, up 392 from Mon.
Net change quoted in points, 1 point equals $0.0001.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **CANADIAN DOLLAR, $ per dlr.** | | | | | |
| Jun | .8640 | .8640 | .8594 | .8607 | +79 |
| Jul | | | | .8560 | +75 |
| Sep | .8605 | .8605 | .8595 | .8605 | +75 |
| Dec | .8620 | .8620 | .8604 | .8620 | +75 |
| Mar | .8615 | .8615 | .8615 | .8615 | +75 |
| Jun | .8625 | .8625 | .8625 | .8625 | +75 |

Est. sales 4,679; sales Tues. 2,346.
Total open interest Tues. 9,978, up 107 from Mon.
Net change quoted in points, 1 point equals $0.0001.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **DEUTSCHEMARK, $ per mark.** | | | | | |
| Jun | .5585 | .5602 | .5583 | .5588 | +23 |
| Sep | .5598 | .5628 | .5597 | .5610 | +21 |
| Dec | .5622 | .5641 | .5620 | .5623 | +01 |
| Mar | .5666 | .5670 | .5650 | .5650 | +05 |

Est. sales 3,619; sales Tues. 4,079.
Total open interest Tues. 9,085, off 510 from Mon.
Net change quoted in points, 1 point equals $0.0001.

**DUTCH GUILDER, $ per guilder.**
No open contracts

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **FRENCH FRANC, $ per franc.** | | | | | |
| Jun | . | . | . | .23400 | |

Est. sales 0; sales Tues. 0.
Total open interest Tues. 20, unchanged from Mon.
Net change quoted in points, 1 point equals $0.00001.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **JAPANESE YEN, $ per yen.** | | | | | |
| Jun | .004449 | .004455 | .004437 | .004440 | +21 |
| Jul | | | | .004390 | |
| Sep | .004445 | .004445 | .004429 | .004429 | +13 |
| Dec | .004458 | .004451 | .004439 | .004439 | +04 |
| Mar | .004480 | .004480 | .004460 | .004460 | +45 |

Est. sales 1,946; sales Tues. 2,596.
Total open interest Tues. 6,964, up 368 from Mon.
Net change quoted in points, 1 point equals $0.000001.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **SWISS FRANC, $ per franc.** | | | | | |
| Jun | .6025 | .6050 | .6020 | .6038 | +30 |
| Jul | | | | .6125 | |
| Sep | .6110 | .6128 | .6097 | .6109 | +26 |
| Dec | .6205 | .6285 | .6180 | .6200 | +20 |
| Mar | . | . | . | .6210 | |
| Jun | | | | .6360 | |

Est. sales 3,483; sales Tues. 4,604.
Total open interest Tues. 10,169, up 122 from Mon.
Net change quoted in points, 1 point equals $0.0001.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| Jul | 76.25 | 76.25 | 75.80 | 76.75 | +0.75 |
| Oct | 76.50 | 76.75 | 76.50 | 77.75 | —0.25 |

Est. sales 12,558; sales Tues. 10,247.
Total open interest Tues. 36,416 off 1,855 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **COPPER** 25,000 lbs.; cents per lb. | | | | | |
| May | 89.60 | 90.10 | 88.90 | 90.10 | +1.65 |
| Jun | | | | 90.30 | +1.40 |
| Jul | 90.40 | 91.50 | 89.90 | 91.20 | +1.60 |
| Sep | 91.70 | 92.70 | 91.20 | 92.50 | +1.60 |
| Dec | 93.45 | 94.00 | 93.00 | 94.08 | +1.45 |
| Jan | | | | 94.55 | +1.45 |
| Mar | 95.00 | 95.70 | 94.80 | 95.60 | +1.50 |
| May | 96.30 | 96.70 | 96.20 | 96.60 | +1.50 |
| Jul | 97.80 | 97.80 | 97.60 | 97.60 | +1.50 |
| Sep | 98.50 | 98.60 | 98.50 | 98.60 | +1.50 |
| Dec | . | . | . | 100.10 | +1.50 |
| Jan | | | | 100.60 | +1.50 |
| Mar | 101.50 | 101.60 | 101.50 | 101.60 | +1.50 |

Est. sales 5,400; sales Tues. 5,772.
Total open interest Tues. 30,401 up 216 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **SILVER** 5,000 troy oz.; cents per troy oz. | | | | | |
| May | 1180.0 | 1191.0 | 1115.0 | 1134.0 | —36.0 |
| Jun | 1185.0 | 1195.0 | 1185.0 | 1137.0 | —36.0 |
| Jul | 1198.0 | 1201.0 | 1138.0 | 1140.0 | —40.0 |
| Sep | 1225.0 | 1225.0 | 1155.0 | 1162.0 | —43.0 |
| Dec | 1260.0 | 1265.0 | 1193.0 | 1195.0 | —48.0 |
| Jan | | | | 1206.0 | —50.0 |
| Mar | 1305.0 | 1305.0 | 1230.0 | 1235.0 | —50.0 |
| May | | | | 1255.0 | —50.0 |
| Jul | . | . | . | 1279.5 | —50.0 |
| Sep | | | | 1304.0 | —50.0 |
| Dec | 1400.0 | 1400.0 | 1340.1 | 1341.5 | —58.0 |
| Jan | | | | 1354.0 | —50.0 |
| Mar | 1438.0 | 1438.0 | 1378.0 | 1378.0 | —50.0 |

Est. sales 2,000; sales Tues. 4,347.
Total open interest Tues. 24,588 up 5 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **PLATINUM** 50 troy oz.; dollars per troy oz. | | | | | |
| May | 546.00 | 551.00 | 544.00 | 544.00 | |
| Jul | 554.80 | 564.00 | 546.10 | 551.00 | +0.08 |
| Oct | 563.00 | 570.00 | 555.00 | 559.80 | +0.08 |
| Jan | 572.00 | 573.00 | 572.00 | 571.80 | +0.18 |
| Apr | 582.00 | 582.00 | 582.00 | 583.80 | +0.33 |
| Jul | 599.50 | 599.50 | 599.50 | 594.80 | +0.40 |

Est. sales 865; sales Tues. 1,078.
Total open interest Tues. 5,830 up 28 from Mon.

| | Open | High | Low | Close | Chg |
|---|---|---|---|---|---|
| **GOLD** 100 troy oz.; dollars per troy oz. | | | | | |
| May | 513.50 | 513.50 | 511.00 | 505.50 | —5.10 |
| Jun | 513.00 | 516.50 | 505.50 | 506.50 | —5.50 |
| Jul | 515.00 | 515.00 | 510.70 | 510.70 | —5.70 |
| Aug | 523.00 | 525.50 | 511.00 | 515.00 | —5.90 |
| Oct | 533.00 | 533.50 | 524.00 | 523.70 | —6.30 |
| Dec | 542.00 | 545.00 | 530.00 | 532.60 | —6.70 |
| Feb | 550.50 | 554.50 | 542.00 | 541.60 | —7.30 |
| Apr | 561.50 | 562.00 | 555.00 | 550.70 | —8.00 |
| Jun | 572.00 | 572.00 | 557.00 | 559.90 | —8.80 |
| Aug | 582.50 | 582.50 | 572.50 | 569.20 | —9.70 |
| Oct | | | | 578.60 | —10.70 |
| Dec | 592.00 | 592.00 | 592.00 | 588.10 | —11.70 |
| Feb | 612.00 | 612.00 | 612.00 | 597.60 | —12.70 |

Est. sales 16,500; sales Tues. 15,880.
Total open interest Tues. 115,011 off 451 from Mon.

## New York Futures

May 21, 1980

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **MAINE POTATOES** 50,000 lbs.; cents per lb. | | | | | |
| Nov | 6.95 | 7.01 | 6.91 | 6.97 | +0.02 |
| Mar | 7.90 | 7.95 | 7.90 | 7.95 | |
| Apr | 8.55 | 8.65 | 8.55 | 8.60 | +0.03 |

Est. sales 245; sales Tues. 242.
Total open interest Tues. 1,490 up 31 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **COFFEE 'C'** 37,500 lbs.; cents per lb. | | | | | |
| May | 195.50 | 195.90 | 194.25 | 194.60 | —0.65 |
| Jul | 201.00 | 201.20 | 198.70 | 198.81 | —1.40 |
| Sep | 208.20 | 208.50 | 206.60 | 206.87 | —1.02 |
| Dec | 202.00 | 202.25 | 200.75 | 200.92 | —0.71 |
| Mar | 194.75 | 194.75 | 193.00 | 193.24 | —1.01 |
| May | 194.25 | 195.50 | 193.00 | 193.00 | —0.93 |
| Jul | 195.00 | 195.00 | 193.25 | 193.27 | —0.73 |
| Sep | 195.25 | 195.25 | 194.00 | 194.00 | —0.63 |

Est. sales 3,845; sales Tues. 3,935.
Total open interest Tues. 15,304 up 198 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **SUGAR NO. 11** 112,000 lbs.; cents per lb. | | | | | |
| Jul | 31.40 | 32.25 | 30.90 | 31.66 | +0.67 |
| Sep | 32.65 | 33.80 | 32.69 | 32.99 | —0.70 |
| Oct | 33.50 | 34.25 | 33.97 | 33.62 | —0.35 |
| Jan | 34.90 | 34.90 | 33.80 | 34.45 | —0.35 |
| Mar | 35.40 | 35.65 | 34.01 | 34.54 | —0.47 |
| May | 35.50 | 35.58 | 33.95 | 34.30 | —0.65 |
| Jul | 35.30 | 35.30 | 33.65 | 34.08 | —0.65 |
| Sep | 35.30 | 35.05 | 33.70 | 33.78 | —0.80 |
| Oct | 35.85 | 35.00 | 33.35 | 33.48 | —0.87 |

Est. sales 19,282; sales Tues. 16,880.
Total open interest Tues. 70,720, off 1,097 from Mon.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **COCOA** 30,000 lbs.; cents per lb. | | | | | |
| Jul | 106.50 | 108.25 | 106.00 | 107.75 | +1.65 |
| Sep | 108.25 | 109.90 | 108.00 | 109.25 | +1.00 |
| Dec | z2,442 | 2,478 | 2,442 | 2,461 | +19.00 |
| Mar | z2,512 | 2,538 | 2,512 | 2,531 | +19.00 |
| May | z2,588 | 2,580 | 2,570 | 2,571 | +.20 |

Est. sales 1,195; sales Tues. 1,696.
Total open interest Tues. 7,331 up 110 from Mon.
z-New contracts 10 metric ton, change in dollar per metric ton.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **ORANGE JUICE** 15,000 lbs.; cents per lb. | | | | | |
| May | 90.30 | 90.60 | 90.00 | 90.20 | —0.10 |
| Jul | 91.00 | 91.25 | 90.80 | 90.80 | —0.30 |
| Sep | 91.80 | 91.80 | 91.30 | 91.50 | —0.50 |
| Nov | 93.25 | 93.25 | 92.90 | 92.80 | —0.30 |
| Jan | 94.00 | 94.00 | 94.00 | 93.80 | —0.30 |
| Mar | 95.00 | 95.00 | 94.50 | 94.40 | —0.50 |
| May | . | . | . | 95.30 | —0.50 |
| Jul | | | | 95.90 | —0.50 |

Est. sales 350; sales Mon. 206.
Total open interest Mon 6,333 up 60 from Fri.

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| **COTTON, No.2** 50,000 lbs.; cents per lb. | | | | | |
| Jul | 78.60 | 79.90 | 77.70 | 79.81 | +1.56 |
| Oct | 76.25 | 77.40 | 75.45 | 77.31 | +1.44 |
| Dec | 73.50 | 74.28 | 72.90 | 74.16 | +1.83 |
| Mar | 74.55 | 75.10 | 74.10 | 75.10 | +0.83 |
| May | 75.80 | 76.25 | 75.80 | 75.73 | +0.50 |

## Cash Prices

May 21, 1980

| Commodity and unit | Wed | Year Ago |
|---|---|---|
| **FOODS** | | |
| Coffee 4 Santos, lb. | 1.85 | 1.51 |
| **TEXTILES** | | |
| Printcloth 48' New York yd. | 0.69½ | 0.47 |
| **METALS** | | |
| Steel billets (Pitt.), ton | 368.00 | 334.00 |
| Iron 2 Fdry. Phila., ton | 227.36 | 227.36 |
| Steel scrap No 1 hvy Pitt. | 89-90 | 94-95 |
| Lead Spot, lb | 0.36 | 0.48 |
| Copper elect., lb | 90⅛ | 87⅝ |
| Tin (Straits), lb. | 8.4996 | 7.4372 |
| Zinc. E. St L. Basis, lb | .0.37½ | 0.39½ |
| Silver N.Y., oz | 11.60 | 8.589 |
| Gold N.Y., oz | 513.50 | 264.15 |

New York prices.

## Commodity Indexes

May 21, 1980

| | Close | Previous |
|---|---|---|
| Moody's | 1,101.20 f | 1,106.40 f |
| Reuters | 1,708.70 | 1,718.90 |
| Dow Jones Spot | 429.28 | 426.47 |
| D.J. Futures | 438.74 | 437.25 |

Moody's: base 100: Dec. 31, 1931. p—preliminary; f—final
Reuters: base 100: Sep. 18, 1931.
Dow Jones: base 100: Average 1924-25-26.

## *Wednesday's New Highs and Lows*

NEW HIGHS—14

Albertsns s, AlconAlum s, GiddLewis s, Hordees, Ligget Grp, LigqG 5.25pf, Marley pfwi, OrionCap, PhEl 15.25pf, Schera Plgh, Utdillum pf, Viacom 2.10cvpf, WarnrCom s, WstnCoNA s

NEW LOWS—3

ColSO 15.25pf, Hayes Alb, Transcn Lin

## Bondtrade Index

May 21, 1980

| | Medium | Long |
|---|---|---|
| Today | 91.186 | 80.656 |
| Previous | 91.165 | 80.643 |

# West Germany Buys Less Oil

FRANKFURT, May 21 (AP-DJ) — West German imports of crude oil were down 15 percent in April from a year ago, but imports in the first four months were off only 3.4 percent from the like 1979 period, the Federal Trade Office reported today.

Crude imports totaled 7,586 million tons in April, and 33,648 million tons in January-April. The imported oil bill for April came to 3.5 billion DM.

Libya was the number one source of imported oil in April, delivering 1,461 million tons, according to trade office figures. Saudi Arabia was the second largest at 1,312 million tons, while Britain was number three with 1,271 million tons.

## ATT Debt Securities

NEW YORK, May 21 (AP-DJ) — The board of American Telephone & Telegraph authorized the sale of $600 million of intermediate-term debt securities in June 1980. Terms will be set at a later date. AT&T last went to the debt market on Jan. 28, 1975, when it negotiated the sale of $300 million of 7-year notes and $300 million of 32-year debentures. Proceeds will be used for expansion and improvement of the Bell System and for other general corporate purposes, AT&T reported.

## W. German Prices Up

WIESBADEN, West Germany, May 21 (Reuters) — West Germany's wholesale price index rose 0.3 percent in April for an 8.8 percent year-on-year gain, a smaller gain than the respective 0.5 percent and 9.3 percent rises in March, the Federal Statistics Office said today.

## Market Summary

### *NYSE Most Actives*

May 21, 1980

| | Sales | Close | Chg. |
|---|---|---|---|
| City Invest | 789,000 | 25⅝ | —⅜ |
| Occident Pet | 748,900 | 24⅝ | +2⅝ |
| StauffChm | 587,800 | 17⅝ | —⅝ |
| Int Paper | 501,400 | 32⅝ | +⅝ |
| Pittston Co | 462,900 | 23⅝ | +2½ |
| AmerT&T | 424,800 | 53½ | +⅛ |
| Am Home | 394,100 | 28⅝ | —⅛ |
| PhilipMorr | 385,300 | 39⅝ | —⅛ |
| Duke Pow | 351,200 | 17 | —⅛ |
| IBM | 325,000 | 52⅝ | +½ |
| Mobil | 279,300 | 69⅝ | +⅝ |
| IUInt Cp | 277,600 | 16⅛ | |
| Scherg Plgh | 268,300 | 39⅝ | +1 |
| Texaco Inc | 265,900 | 33⅝ | +½ |
| Exxon | 261,900 | 62⅝ | +¼ |

| | Today NYSE Close | Prev. Nationw. Close |
|---|---|---|
| Volume (in millions) | 34.83 | 36.68 |
| Advanced | 698 | 699 |
| Volume Up (millions) | 16.78 | 15.19 |
| Declined | 772 | 786 |
| Volume Down (millions) | 13.79 | 12.69 |
| Unchanged | 384 | 383 |
| Total issues | 1,854 | 1,868 |
| New highs | 14 | 22 |
| New lows | 3 | 2 |

### *Dow Jones Averages*

| | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| 30 Ind | 832.00 | 836.43 | 821.50 | 831.86 | —1.45 |
| 20 Trn | 258.03 | 260.73 | 253.52 | 258.29 | +0.46 |
| 15 Util | 107.95 | 108.56 | 107.00 | 107.88 | —0.37 |
| 65 Stk | 297.56 | 301.60 | 295.58 | 299.43 | —0.32 |

### *Standard & Poors*

| | High | Low | Close | N.C. |
|---|---|---|---|---|
| Composite | — | — | 107.72 | +0.10 |
| Industrials | — | — | 120.89 | +0.19 |
| Utilities | — | — | 50.07 | —0.12 |
| Finance | — | — | 12.16 | —0.06 |
| Transp. | — | — | 15.17 | +0.02 |

### *NYSE Index*

| | High | Low | Close | N.C. |
|---|---|---|---|---|
| Composite | 61.42 | 61.03 | 61.42 | +0.07 |
| Industrials | 69.46 | 68.97 | 69.46 | +0.10 |
| Transp. | 51.57 | 51.04 | 51.57 | +0.10 |
| Utilities | 37.27 | 36.98 | 37.17 | +0.05 |
| Finance | 61.75 | 61.40 | 61.42 | —0.22 |

### *Odd-Lot Trading in N.Y.*

| | Shares Buy | Sales | *Short |
|---|---|---|---|
| May 20 | 122,569 | 256,759 | 1,547 |
| May 19 | 140,467 | 264,838 | 844 |
| May 16 | 115,484 | 239,488 | 634 |
| May 15 | 128,289 | 256,867 | 797 |
| May 14 | 136,314 | 250,580 | 647 |

*These totals are included in the sales figures.

### *American Most Actives*

| | Sales | Close | Chg. |
|---|---|---|---|
| Dynalect Cp | 397,400 | 13⅝ | +1⅝ |
| MitchlED s | 286,800 | 27⅝ | +⅛ |
| GifCana s | 158,800 | 23⅝ | —½ |
| ImperOilA g | 137,800 | 33 | +1⅝ |
| DomePetr g | 117,800 | 42 | —½ |
| HouOIM | 99,000 | 22⅝ | |
| Goldfield Cp | 97,200 | 2⅝ | +⅛ |
| ResrtintA | 70,300 | 32⅝ | —⅝ |
| TritonOG n | 68,300 | 22⅝ | +1⅝ |
| BowValley g | 64,800 | 40⅝ | +1 |

| | Today AMEX Close | Prev. Nationw. Close |
|---|---|---|
| Volume (in millions) | 4.14 | 3.24 |
| Advanced | 270 | 287 |
| Volume Up (millions) | 2.26 | 1.61 |
| Declined | 271 | 289 |
| Volume Down (millions) | 1.34 | 1.28 |
| Unchanged | 213 | 196 |
| Total issues | 754 | 772 |
| New highs | N.A. | 6 |
| New lows | N.A. | 1 |

### *AMEX Index*

| High | Low | Close | Chg. |
|---|---|---|---|
| 261.25 | 259.29 | 260.33 | +0.40 |

## Tokyo Exchange

May 21, 1980

| | Yen | | Yen |
|---|---|---|---|
| Asahi Chem. | 199 | Mitsubi Hvy Ind. | 189 |
| Asahi Glass | 345 | Mitsubi Chem. | 250 |
| Canon | 640 | Mitsubi Corp. | 495 |
| Dai Nip. Print | 585 | Mitsubi Elec | 198 |
| Fuji Bank | 415 | Mitsui Co. | 355 |
| Fuji Photo | 556 | Mitsukoshi | 410 |
| Hitachi | 253 | Nippon Elec. | 399 |
| Honda Motor | 560 | Nippon Steel | 143 |
| C. Itoh | 460 | Sharp | 538 |
| I.H.I. | 160 | Sony Corp | 2,080 |
| Japan Air L. | 2,300 | Sumitomo Bank | 415 |
| Kansai El. Pwr. | 865 | Sumitomo Chem. | 137 |
| Kao Soap | 412 | Sumitomo Metal | 164 |
| Kawasaki Steel | 144 | Taisho Marine | 253 |
| Kirin Brewery | 420 | Takeda | 505 |
| Komatsu | 360 | Teijin | 136 |
| Kubota | 353 | Tokyo Marine | 589 |
| Matsu El. Ind. | 682 | Toray | 217 |
| Matsu E. Wks | 535 | Toyota | 833 |

New Index: 467.81; Previous: 462.83
Nikkei-DJ Index: 6,822.18; Previous: 6,787.30

## London Metals Market

(Figures in sterling per metric ton)
(Silver in pence per troy ounce)
May 21, 1980

| | Today Bid | Today Asked | Previous Bid | Previous Asked |
|---|---|---|---|---|
| Copper wire bars: | | | | |
| Spot | 883.00 | 884.00 | 882.00 | 883.00 |
| 3 months | 908.00 | 909.80 | 708.00 | 708.50 |
| Cathodes: spot | 861.00 | 863.00 | 862.00 | 863.00 |
| 3 months | 877.00 | 879.00 | 886.00 | 888.00 |
| Tin: spot | 7,365.00 | 7,380.00 | 7,425.00 | 7,440.00 |
| 3 months | 7,375.00 | 7,380.00 | 7,420.00 | 7,430.00 |
| Lead: spot | 341.00 | 342.00 | 344.00 | 348.00 |
| 3 months | 348.00 | 349.00 | 354.5 | 355.50 |
| Zinc: spot | 305.50 | 306.50 | 304.50 | 305.50 |
| 3 months | 316.00 | 316.50 | 315.00 | 316.00 |
| Silver: spot | 505.00 | 506.00 | 508.00 | 510.00 |
| 3 months | 525.30 | 525.70 | 529.00 | 530.00 |
| Aluminium: spot | 749.00 | 751.00 | 775.00 | 777.00 |
| 3 months | 748.00 | 749.00 | 767.00 | 769.00 |
| Nickel: spot | 2,590.00 | 2,600.00 | 2,630.00 | 2,635.00 |
| 3 months | 2,690.00 | 2,700.00 | 2,725.00 | 2,730.00 |

## London Commodities

(Figures in sterling per metric ton)
May 21, 1980

| | High | Low | Close (Bid-Asked) | | Previous (Close) | |
|---|---|---|---|---|---|---|
| **SUGAR** | | | | | | |
| May | 329.80 | 318.00 | 327.00 | 330.00 | 328.00 | 327.00 |
| Aug | 351.50 | 350.00 | 341.40 | 347.50 | 350.00 | 350.50 |
| Oct | 358.75 | 344.00 | 350.00 | 351.00 | 357.75 | 358.00 |
| 10,069 lots of 50 tons. | | | | | | |
| **COCOA** | | | | | | |
| May | 1,092 | 1,087 | 1,080 | 1,088 | 1,090 | 1,110 |
| Jly | 1,114 | 1,093 | 1,099 | 1,100 | 1,113 | 1,115 |
| Sep | 1,120 | 1,100 | 1,112 | 1,114 | 1,122 | 1,122 |
| Dec | 1,165 | 1,150 | 1,162 | 1,164 | 1,166 | 1,168 |
| Mar | 1,200 | 1,184 | 1,195 | 1,198 | 1,196 | 1,198 |
| May | 1,211 | 1,211 | 1,215 | 1,220 | 1,220 | 1,225 |
| Jly | 1,245 | 1,240 | 1,245 | 1,250 | 1,240 | 1,255 |
| 5,245 lots of 10 tons. | | | | | | |
| **COFFEE** | | | | | | |
| May | 1,681 | 1,674 | 1,670 | 1,674 | 1,690 | 1,693 |
| Jly | 1,736 | 1,713 | 1,770 | 1,780 | 1,740 | 1,741 |
| Sep | 1,787 | 1,766 | 1,766 | 1,768 | 1,790 | 1,791 |
| Nov | 1,802 | 1,785 | 1,787 | 1,790 | 1,805 | 1,808 |
| Jan | 1,806 | 1,801 | 1,795 | 1,798 | 1,805 | 1,813 |
| Mar | N.T. | N.T. | 1,751 | 1,760 | 1,760 | 1,767 |
| May | N.T. | N.T. | 1,720 | 1,760 | 1,755 | 1,767 |
| 3,109 lots of 5 tons. | | | | | | |

## Paris Commodities

(Figures in French francs per metric ton)
May 21, 1980

| | High | Low | Close (Bid-Asked) | | Ch. |
|---|---|---|---|---|---|
| **SUGAR** | | | | | |
| Jly | N.T. | N.T. | 3,160 | 3,200 | —10 |
| Aug | 3,245 | 3,105 | 3,260 | 3,283 | —20 |
| Oct | 3,345 | 3,210 | 3,305 | 3,310 | —25 |
| Nov | N.T. | N.T. | 3,290 | — | —10 |
| Dec | 3,450 | 3,350 | 3,389 | 3,400 | —11 |
| Mar | 3,450 | 3,405 | 3,448 | 3,500 | —10 |
| May | N.T. | N.T. | 3,490 | 3,560 | +10 |
| Jly | N.T. | N.T. | 3,500 | — | Unch. |
| 1,150 lots. | | | | | |
| **COCOA** | | | | | |
| May | 1,025 | 1,020 | 1,015 | 1,080 | —35 |
| Jly | N.T. | N.T. | — | 1,050 | —30 |
| Sep | 1,090 | 1,060 | 1,088 | 1,100 | —10 |
| Dec | 1,100 | 1,090 | 1,106 | 1,114 | +1 |
| Mar | N.T. | N.T. | 1,120 | — | —30 |
| May | N.T. | N.T. | 1,130 | — | —35 |
| 33 lots | | | | | |

## *Dividends*

May 21, 1980

INCREASED

| Company | Per. | Amnt | Pay. | Rec. |
|---|---|---|---|---|
| Coldor Inc | Q | .15 | 6-20 | 6-6 |
| Geico Corp | Q | .11 | 6-30 | 6-12 |
| Occid Petrol | Q | .50 | 7-15 | 6-10 |

CASH EXTRA

| Company | Per. | Amnt | Pay. | Rec. |
|---|---|---|---|---|
| Broscom Co | - | .20 | 7-31 | 7-1 |
| Natl Presto Ind | - | .15 | 6-30 | 6-6 |

CASH SPECIAL

| Company | Per. | Amnt | Pay. | Rec. |
|---|---|---|---|---|
| Homestead Fl Co | - | .60 | 6-16 | 6-4 |

STOCK

| Company | Per. | Amnt | Pay. | Rec. |
|---|---|---|---|---|
| Norston Inc | - | 10 PC | 6-30 | 6-12 |
| Silver Dollar Min | - | 10 PC | 7-18 | 6-20 |

USUAL

| Company | Per. | Amnt | Pay. | Rec. |
|---|---|---|---|---|
| ATO Inc | Q | .15 | 6-16 | 6-2 |
| Amer Balanced Fnd | Q | .12 | 6-6 | 5-22 |
| Amer Intl Grp | Q | .12½ | 9-19 | 9-4 |
| Amer Tel & Tel | Q | $1.25 | 7-1 | 5-30 |
| Broscom Co | Q | .30 | 7-31 | 7-1 |
| Butler Manufacturing | Q | .30 | 7-3 | 6-19 |
| CFS Continental | Q | .08½ | 6-25 | 6-6 |
| Chesapeake Util | Q | .31¼ | 7-3 | 6-2 |
| Chris-Craft Ind | Q | .25 | 6-30 | 6-16 |
| Conti Bank | Q | .46 | 6-13 | 6-2 |
| Crush Intl | Q | .12 | 7-15 | 6-20 |
| Eastmet Corp | Q | .22½ | 7-3 | 6-12 |
| Elder-Beerman | Q | .05 | 6-13 | 5-30 |
| Elizabethtown Water | Q | .44 | 6-30 | 6-12 |
| Emers Indus | Q | .84 | 8-7 | 6-30 |
| Equimark Corp | Q | .24 | 6-30 | 6-12 |
| Federal Paper | Q | .25 | 7-15 | 6-27 |
| Fin Co of Amer | Q | .12½ | 6-30 | 6-2 |
| First Atlanta | Q | .22 | 7-1 | 6-13 |
| Gannett Co | Q | .50 | 7-1 | 6-17 |
| Girard Co | Q | .50 | 7-1 | 6-1 |
| Hospital Mortgage | Q | .15 | 6-17 | 6-15 |
| House of Ronnie | Q | .15 | 7-1 | 6-12 |
| Interlake Inc | Q | .55 | 6-30 | 6-16 |
| Intl Min & Chem | Q | .58 | 6-30 | 6-13 |
| James Dole | S | .08 | 7-22 | 7-9 |
| Lincoln Sav & Ln | Q | .19 | 6-11 | 5-30 |
| Marsh MLennon | Q | .98 | 8-13 | 7-31 |
| Merchants National | Q | .40 | 6-20 | 5-30 |
| Michigan Gas Util. | Q | .32½ | 6-16 | 6-2 |
| Mission Ins Co | Q | .38 | 7-25 | 7-3 |
| Morse Shoe Inc | Q | .18 | 7-3 | 6-6 |
| Natl Presto Ind | Q | .37½ | 6-30 | 6-6 |
| NCR Corp | Q | .58 | 7-25 | 6-30 |
| Noxell Corp | Q | .22 | 7-1 | 6-17 |
| Petrie STrs | Q | .35 | 6-17 | 6-1 |
| Philip Morris | Q | .48 | 7-10 | 6-16 |
| Quadrex Corp | Q | .05 | 7-15 | 6-13 |
| Reeves Bros | Q | .50 | 6-18 | 6-4 |
| Republic of Texas | Q | .39 | 7-1 | 6-9 |
| Rhodes Inc | Q | .05 | 7-15 | 6-20 |
| Unitd Fire Gas | Q | .22 | 6-15 | 6-2 |
| Strother Drug | Q | .11¼ | 6-16 | 6-2 |
| Unitrode Corp | Q | .12½ | 7-1 | 6-13 |

A-Annual; M-Monthly; Q-Quarterly; S-Semi-Annual.

## Toronto Stocks

Closing Prices, May 20, 1980

In Canadian funds, cents unless marked $

[illegible]

Total sales 4,443,793 shares

## Montreal Stocks

Closing Prices, May 20, 1980

Quotations in Canadian funds. All quotes cents unless marked $

| Sales | Stock | High | Low | Close | Chg. |
|---|---|---|---|---|---|
| 9726 | Bnk Mont | $26¼ | 25⅝ | 26¼+ | ⅝ |
| 831 | Can Cmt | $12 | 11⅝ | 11⅝— | ⅛ |
| 6900 | Can Bath | $14½ | 14½ | 14½— | ⅛ |
| 3575 | Dom TxtA | $13⅝ | 13⅝ | 13⅝— | ⅛ |
| 1900 | FCA Int | 300 | 300 | 300 | +13 |
| 12585 | NatBk Cda | $11⅝ | 11⅝ | 11⅝— | ⅛ |
| 15400 | Power Co | $16⅛ | 16 | 16⅛+ | ⅛ |
| 10816 | Royal Bk | $46 | 45⅛ | 45⅝+ | ¼ |
| 100 | Roy Trst Co | $14⅝ | 14⅝ | 14⅝— | ⅛ |

Total Sales 541,178 shares.

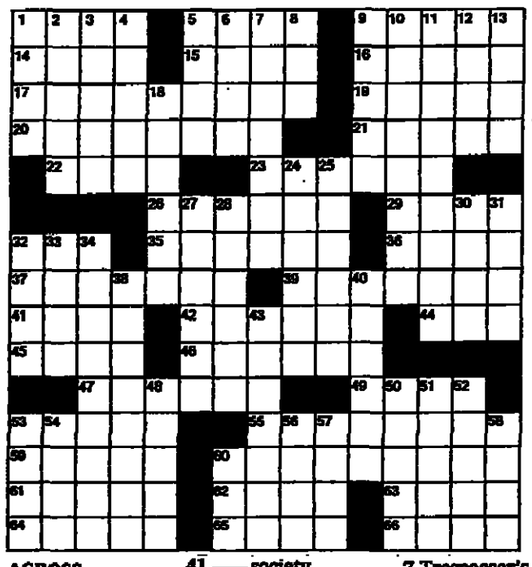
## Canadian Indexes

May 21, 1980

| | Close | Previous |
|---|---|---|
| Montreal | 341.89 | 337.49 |
| Toronto | 1,905.50 | 1,887.70 |

Montreal: Stock Exchange Industrials Index.
Toronto: TSE 300 Index.

# CROSSWORD — By Eugene T. Maleska



**ACROSS**

1 Mislaid
5 Bear Bryant's boys
9 Adrien ——, beauty culturist
14 Where to see pagodas
15 Buck heroine
16 —— la Paix
17 Greedy insect
19 Exeunt —— (script direction)
20 Mammoth insect
21 Appearances
22 Red-cased cheese
23 Insect that will take it all back
26 Emulate Wrong-Way Corrigan
29 Brother of Eris
32 Foofaraw
35 One of the *Magi*
36 Part of St. Peter's
37 Stimulate
39 Drexel, to J. P. Morgan
41 —— society
42 Cylindrical
44 Refrain syllable
45 Do some pruning
46 Cleared a tape
47 Shipment from Bordeaux
49 Inside info
53 "—— Jimmy Valentine"
55 Forbearing insect
59 Dwellers south of Bombay
60 Invigorating insects
61 Shoshonean
62 Carol
63 One-time Irish capital
64 Describing this puzzle
65 Author Seton
66 Witness

**DOWN**

1 Cluny product
2 "——mio"
3 Begat
4 Cigar-making center in Fla.
5 Dry, cold wind
6 Actor Arkin
7 Trespasser's bête noire
8 Insect going after combat
9 Kitchen emanation
10 Meditative insect
11 Sharp, acute insect
12 Genesis setting
13 Not so much
18 Resistance of a conductor
24 Storehouses or marches
25 Unctuous medication
27 More enormous
28 "Beauty still ——": Byron
30 Ad infinitum
31 Immunological items
32 Rainbows
33 Dizzy or Daffy
34 Insect in charge of a ceremony
38 Sows again, insect style
40 More embarrassed
43 Shoot from a root: Var.
48 Analyze ore
50 Declaim
51 One of the Philippines
52 ——nous
53 Type of toad
54 Cut of beef
56 Do as told
57 Entertainer Falana
58 Despot
60 Vital component of cells, for short

Solution to Previous Puzzle

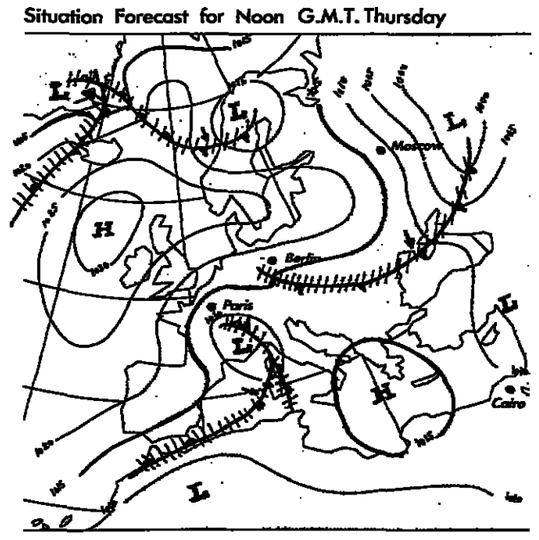
| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| S | H | A | G | | G | A | M | E | S | | E | G | A | N |
| E | A | R | L | | E | R | I | C | A | | N | A | V | Y |
| M | D | I | L | | T | A | L | O | N | | T | R | E | E |
| | J | A | M | E | S | B | A | L | D | W | I | N | | |
| | | M | A | A | S | | E | L | I | C | I | T | | |
| R | O | B | E | R | T | | | O | D | E | S | S | A | |
| O | N | E | R | S | | A | B | A | T | E | | H | E | P |
| L | E | S | S | | S | P | A | N | S | | D | E | T | S |
| L | I | T | | N | E | E | D | Y | | R | E | E | S | E |
| E | D | I | T | O | R | | | P | A | R | S | E | S | |
| | A | R | B | E | A | R | | P | A | N | I | | | |
| | | R | A | L | P | H | E | L | L | I | S | O | N | |
| A | R | I | D | | H | O | R | A | L | | I | D | E | A |
| D | I | A | N | E | | I | N | A | N | E | | V | E | S | T |
| E | G | G | S | | B | E | T | E | D | | E | S | S | A |

# WEATHER

| | C | F | | | C | F | |
|---|---|---|---|---|---|---|---|
| ALGARVE | 18 | 64 | Mist | MADRID | 23 | 73 | Cloudy |
| AMSTERDAM | 19 | 66 | Fine | MIAMI | 29 | 84 | Cloudy |
| ANKARA | 19 | 66 | Cloudy | MILAN | 22 | 72 | Fine |
| ATHENS | — | — | N.A. | MONTREAL | 15 | 59 | Sunny |
| BEIRUT | 22 | 72 | Mist | MOSCOW | 5 | 41 | Overcast |
| BELGRADE | 17 | 63 | Cloudy | MUNICH | 18 | 64 | Fine |
| BERLIN | 16 | 61 | Cloudy | NEW YORK | 15 | 59 | Rain |
| BRUSSELS | 20 | 68 | Fine | NICE | 17 | 63 | Mist |
| BUCHAREST | 15 | 59 | Overcast | OSLO | 11 | 52 | Cloudy |
| BUDAPEST | 18 | 64 | Fine | PARIS | 16 | 61 | Overcast |
| CASABLANCA | — | — | N.A. | PRAGUE | 18 | 64 | Cloudy |
| COPENHAGEN | 8 | 46 | Cloudy | ROME | 19 | 66 | Fine |
| COSTA DEL SOL | 24 | 75 | Fine | SOFIA | 11 | 52 | Showers |
| DUBLIN | 12 | 54 | Overcast | STOCKHOLM | 6 | 43 | Overcast |
| EDINBURGH | 13 | 55 | Overcast | TEHRAN | 33 | 91 | Fine |
| FLORENCE | 22 | 72 | Mist | TEL AVIV | 23 | 73 | Mist |
| FRANKFURT | 21 | 70 | Fine | TOKYO | 17 | 63 | Showers |
| GENEVA | 17 | 63 | Mist | TUNIS | 21 | 70 | Cloudy |
| HELSINKI | 4 | 39 | Snow | VIENNA | 20 | 68 | Mist |
| HOUSTON | 32 | 90 | Rain | WARSAW | — | — | N.A. |
| ISTANBUL | 17 | 63 | Showers | WASHINGTON | 20 | 68 | Cloudy |
| LAS PALMAS | 24 | 75 | Mist | ZURICH | 19 | 66 | Fine |
| LISBON | 21 | 70 | Fine | | | | |
| LONDON | 17 | 63 | Cloudy | | | | |
| LOS ANGELES | 18 | 64 | Cloudy | | | | |

(Yesterday's readings U.S. and Canada at 1700 GMT, Houston and Los Angeles at 2000 GMT; rest of others at 1200 GMT.)

Situation Forecast for Noon G.M.T. Thursday




## *Clock-Watching Swedish Parson Says Even Lord's Time Is Money*

UMEA, Sweden, May 21 (UPI) — Blessed are they who serve the Lord. But Andre Ostlund thinks they should get paid overtime, too.

Mr. Ostlund, vicar of the Umea parish in the far north, put in his claim for better pay and conditions this week. "I work on average 53 hours a week," he said. "I think I should be paid overtime."

Swedish law says anyone working more than 40 hours a week must be paid overtime. But the priesthood is an exception to the law.

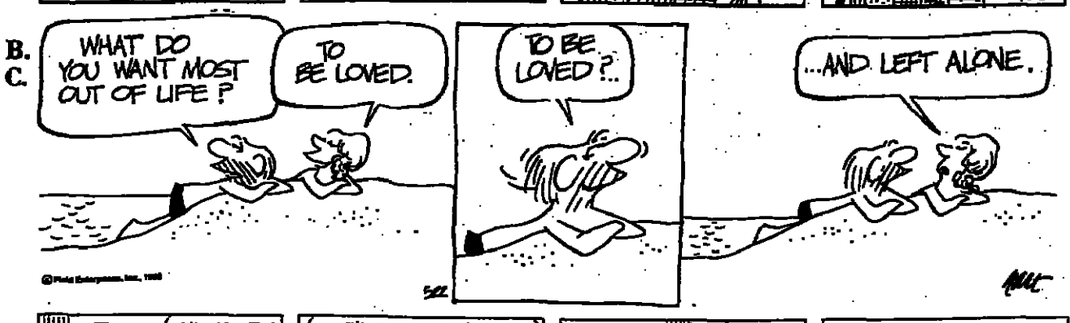
A spokesman for the diocese head office in Lulea said that it was impossible to put time limits on evangelical work. He said that Mr. Ostlund's request for 13 hours overtime a week would be refused.

The Priests' Association — the nearest thing to a union for men of the cloth in Sweden — made it clear it will not support Mr. Ostlund's claim. "Priests have unregulated hours according to contract," said Lennart Huaschildt, the association's chairman. "It would be unrealistic to limit their hours. You can't keep one eye on the clock when you are caring for someone's immortal soul."

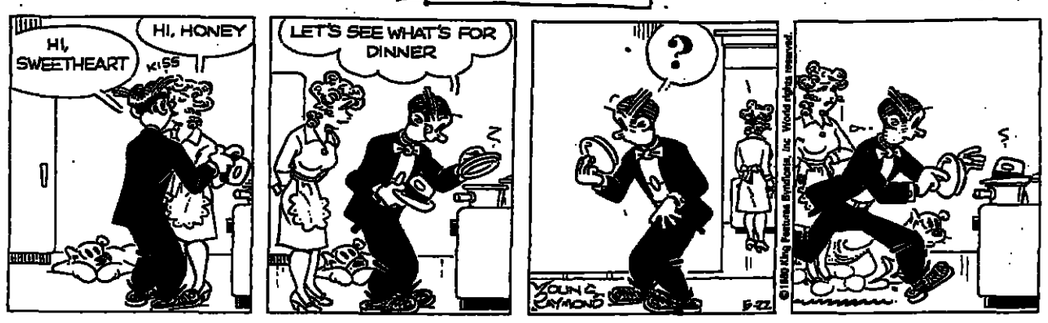
PEANUTS



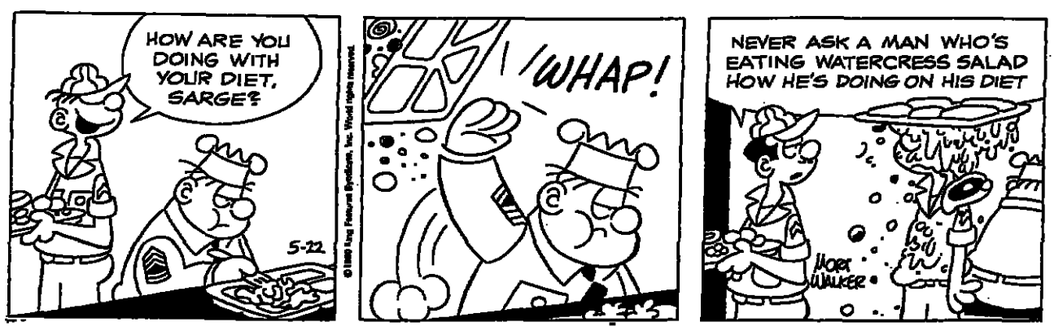

B.C.




BLONDIE




BEETLE BAILEY




ANDY CAPP




WIZARD of ID




REX MORGAN




DOONESBURY




## JUMBLE ® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

LAIDY

GOBEF

CIAMAN

NEXETT




Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

*Print answer here:* "○○○○○○○"

(Answers tomorrow)

Yesterday's Jumbles: MOLDY SAHIB FACTOR ANSWER
Answer: From the monarch they got this— "NO CHARM"

*Imprimé par P.I.O. - 1, Boulevard Ney 75018 Paris*

DENNIS THE MENACE




"YA BIG SISSY!"

# BOOKS

***MAYBE***

*By Lillian Hellman. Little, Brown. 106 pp. $7.95.*

Reviewed by Anatole Broyard

THE kindest interpretation one can put on "Maybe," Lillian Hellman's new book, is that it is a parody of contemporary fiction. Non sequiturs, gratuitous acts, frustrating ellipses, ambiguities, a dearth of emotion — Hellman avails herself of all these current techniques in telling a story that she keeps telling us may not be a story at all.

On every page, sentences begin with I've forgotten, I don't remember, I don't know, I am no longer sure. This encourages us to suppose that "Maybe" may be about the antics of memory, the elusiveness of truth or character. "What I have written," Hellman says, "is the truth as I saw it, but the truth as I saw it, of course, doesn't have much to do with the truth." No one, she suggests, can possess the whole truth with any confidence.

"Maybe" is described on the dust jacket as "a story," yet Hellman presents herself, her husband and Dashiell Hammett, with whom she lived for years, as characters in the book, and the events seem to be offered as autobiography.

The heroine of this story or memoir is a beautiful woman named Sarah Cameron, whom Hellman saw only intermittently over 40 years. A pathological liar, a poseuse, a virtuosa of discontinuities, Sarah resembles Lady Brett in Hemingway's "The Sun Also Rises." She is a familiar femme fatale from a period in women's evolution that may now strike us as quaint, a time when boredom was indistinguishable from sophistication.

After saying that she likes Sarah, Hellman adds that "she is of no importance to my life and never was." The provisional nature of her portrait shows, Hellman remarks, "how inattentive I was." Fiction seems to have become so independent of reality that authors now boast of their inattentiveness.

Hellman was linked to Sarah by her first lover, a cad who told her that she had "a strange o[r]esult, Hellman became a sive bather who nagged band and Dashiell Hamm her how she smelled to th Sarah Cameron observed man in question had made comment to her, Hell grateful.

Sarah looked like Gre but only when her face pose. Hellman saw her at Harlem, at Lake Maggiore is restaurant, in a large c the Loire, in Rome, and a Francis Hotel in San Fran

On these occasions, San made a few cryptic or pat remarks, promised to ca and never did. One seemed to be drugged an a long story or dream in erything was literally, pu or. At another meeting, swered the author's green im, pretending that He made a mistake in ident that she was a Signora Pin

"We have been talkin Paris flood all night," S said to Hellman. Her fri photograph of it, "a y very beautiful, dead and ing on to his bullock. Wo Proust, looking from hi wasn't it?"

One of Sarah's other fr Hellman that Sarah had ly, "in bed with a dog an teddy bear. I suppose have guessed that." He plied: "That would ha hard guess, who died wi bear, who did not" — one of the few moments i when she sounds like the all know.

It is anybody's guess man wrote "Maybe." It is and as a memoir it reads jointed hangover that years. There will undo readers who will see its about memory as an apo vita sua, but then that co of anything that anybody

***LIVING ARROWS***

*By Gillian Martin. Charles Scribner's Sons. 229 pp.*

I CHOSE to read "Living Arrows" by Gillian Martin because it began well. Struggling against her mother-in-law, Val, the heroine of the book, says on page 3: "Though I know him better, though we are married, we are not related." I thought this an interesting distinction.

Of her husband, Harry, Val says: "He's not a man who tells. I like to hear all the details about everything: Who was where and with whom, who was wearing what, who said what to whom about whom." I felt that I could see this triangle: a wife who needs to be touched, a reticent husband and Barbara, an omnivorous mother-in-law.

When Barbara is paralyzed by a stroke, Val sits by her bedside and closes her mother-in-law's eyes with her fingertips every few moments, as the doctor has directed. It's a good image: the diffident daughter-in-law opening and closing at will the eyes of her husband's prying mother.

The doctor says that Barbara may or may not be able to see and hear, which means that Val and Harry must play out a charade of their feelings about her in the few days left for Barbara. Death is never a trivial subject, and here its drama is protected against dilution by Barbara's inability to speak.

Then, as I see it, everything goes wrong. Val decides to talk to the paralyzed Barbara. It is not an unnatural thing to do: What is so dismaying is how she goes about it. "What's happening?" she asks. "Do you feel anything happening? Is it like the tide going out, or leaves being blown away?"

Just before Barbara loses her power of speech, she says that she wants so badly to go to heaven. Val, who has been insulted and tyrannized by her for 20 years, replies: "Of course you'll go to heaven." It may be the charitable thing to say, but it doesn't make for the sort of moment of truth that a novel needs.

Before silence descends on Barbara, she "confides" in Val, tells her that perhaps she's not such a poor wife after all for Harry. Val appears to be elated by this tardy rapprochement. She says: "She made her confession to me and I can't absolve her. We can absolve each other."

Unless she is talking about original sin, it is difficult to see what Val needs to be absolved for. She has already put in her time in purgatory with 20 years of poverty, drudgery, reticence both verbal and emotional from Harry, and grote inhibited criticism from I

A woman reader of rows" would not have to tant feminist to be of Val's masochistic self-e I'm afraid Harry doesn well either. When Val o protests Barbara's fla approach to her son's Harry answers: "You'll j get used to her."

I suppose it might hav ferent if Barbara had be nificent shrew, a witch, merely vain, coy, childish petitive in the most co ways. So far as I can see, redeeming qualities. For i of charm, she doesn't real.

Harry is pretty terrib has retired from his job i tect's office to "chase which, in his case, mean pictures of birds. Beside to supplement their incon always taken care of the dren, unassisted by Harry

As Martin puts it children were tiny, their upset him very much. Th of bodies, even such little ones, functioning without reason offended him. When the children have an adolescent boy and demonstrate their control son by saying of Barba deathbed, "I wish she'd with," and, to Val, "Are up?" By this time, howe has come too late.

When Harry takes the about his own mother, Va an of all cliches, answers Barbara's dying "must take course." To which Harr "Why must it? What if dog?"

Now, if he had said th some radical conviction, if was what he felt his m earned, the scene might ca have been strong. But wha out of is Harry's distaste f cality," and this is not a tin can conjure with.

"The Goat, the Wom Crab," an earlier novel b Martin, received very goo from critics. I consider reli would seem to have talen in "Living Arrows," it co as a talent for exasperatin one reader. Perhaps she track to her former felicity er too late to regress.

*Anatole Broyard is on th The New York Times.*

# BRIDGE — By Alan T

THE bidding on the diagramed deal followed a sensible course to six diamonds. West made the fine lead of the spade eight, forcing South into an immediate decision in the spade suit.

South put up the ace, drew trumps and led a club to the K-Q. He was hoping to find the ace on his left, but against the actual distribution he had to fail by one trick.

Against the opening lead, the declarer could and probably should have succeeded. The right plan was a dummy reversal, ruffing spades in the closed hand to produce an extra trick.

The play would start: spade ace, spade ruff, diamond king, a club to the king and ace. East does best to return a club, and South wins in dummy and ruffs another spade.

When the king does not appear, dummy is entered with a heart lead to ruff another spade. The declarer then cashes his diamond and enters dummy with a to draw the missing trump

NORTH (D)
♠AQ104
♥KJ3
♦A87
♣EQ4

| WEST | EAST |
|---|---|
| ♠KJ852 | ♠963 |
| ♥104 | ♥8762 |
| ♦74 | ♦532 |
| ♣1087 | ♣A10 |

SOUTH
♠7
♥AQ95
♦KQ1096
♣632

Both sides were vulnerable.

| North | East | South | West |
|---|---|---|---|
| 1♠ | Pass | 1♦ | Pass |
| 2N.T. | Pass | 3♥ | Pass |
| 3♠ | Pass | 3N.T. | Pass |
| 4♦ | Pass | 6♦ | Pass |
| 6♥ | Pass | Pass | Pass |

West led the spade eight.

*Hebner Leads Tigers*

# ...hn Loses First a Grand Slam

..., May 21 (UPI) — ...ner rocked previously ...mmy John for a grand-...lam in a six-run fifth in-...eliever Ron Davis for a ...er in the sixth here last ...er the Detroit Tigers to ...ph over the New York ...

... and seeking his 200th ...y, held a 5-2 lead and ... two outs of the fifth ...re a single and two ... the bases. Hebner hit ...itch for his first homer ...

...ohn Hiller, 1-0, got the ... Dave Rozema getting ... his first major-league ... two runs and Chuck Rainey and Tom Burgmeier combined for an eight-hitter to pace Boston to a 4-3 victory over Toronto.

**Royals 1, A's 0**

In Kansas City, Rich Gale, a loser in his first five decisions, combined with Gary Christenson and Dan Quisenberry for a five-hitter to outduel Mike Norris as Kansas City edged Oakland, 1-0.

**White Sox 4, Twins 2**

In Chicago, Chet Lemon homered and scored three runs and Wayne Nordhagen got a pair of run-scoring singles to lead Chicago to its fourth successive victory, a 4-2 triumph over Minnesota.

**Angels 5, Rangers 4**

In Arlington, Texas, Bobby Grich's two-run homer was the big hit in a three-run sixth inning and helped California and rookie pitcher Freddie Martinez to a 5-4, rain-shortened victory over Texas.

**Reds 7, Phillies 6**

In the National League, in Philadelphia, Dave Collins extended his hitting streak to 15 games with a two-run single in the sixth inning to help the Cincinnati Reds post a 7-6 decision over the Philadelphia Phillies.

The Phillies wasted four homers — two by Greg Luzinski and one each by Mike Schmidt and Bake McBride.

**Astros 3, Mets 2**

In New York, Terry Puhl's lead-off homer in the seventh inning gave Houston a 3-2 decision over New York behind the eight-hit pitching of Ken Forsch. Puhl's homer, his fifth, came off Craig Swan (2-3).

**Braves 1, Expos 0**

In Montreal, Chico Ruiz doubled home Dale Murphy with a seventh-inning run and Phil Niekro spaced six hits as Atlanta edged Montreal, 1-0.

**Giants 2, Cubs 0**

In San Francisco, Ed Whitson scattered nine hits and Terry Whitfield drove in two runs with a fourth-inning triple to pace San Francisco to its fourth successive victory, 2-0 over Chicago. All the hits off Whitson (2-5) were singles, with Len Randle and Larry Biittner getting three each. Whitson did not walk a batter and struck out three.

**Dodgers 4, Cardinals 3**

In Los Angeles, Steve Garvey's three-run homer in the sixth inning, his fourth home run in three games, helped Los Angeles to a 4-3 victory over St. Louis. Jerry Reuss (5-0), making his second start after getting three victories in relief, gave up 10 hits in the seven innings he worked to pick up the victory.

**...ans 4, Orioles 0**

**...ales 8, Indians 0**

...and, Jim Palmer and ...inez teamed to pitch a ...nd Doug DeCinces hit ...er of the season to pace ...o an 8-0 victory and a ...uble-header with Cleve-...Denny allowed four hits ...r, getting his first shut-...st August and the first ...and pitcher this year as ...won, 4-0.

**...ers 14, Mariners 5**

..., Ben Oglivie hit two ...l drove in six runs to ...ukee past Seattle, 14-5. ...a two-run homer in the ...and a three-run homer ..., his eighth of the sea-...

**...Sox 4, Blue Jays 3**

...to, Jim Dwyer batted in ...

## ...or League ...andings

**...ATIONAL LEAGUE**

East

| | W | L | Pct. | GB |
|---|---|---|---|---|
| | 19 | 12 | .613 | — |
| | 16 | 15 | .516 | 3 |
| | 16 | 16 | .500 | 3½ |
| | 15 | 17 | .469 | 4 |
| | 14 | 21 | .400 | 6½ |
| | 12 | 20 | .375 | 7½ |

West

| | W | L | Pct. | GB |
|---|---|---|---|---|
| | 23 | 13 | .639 | — |
| | 20 | 14 | .588 | 2 |
| | 21 | 15 | .583 | 2 |
| | 18 | 17 | .514 | 4½ |
| | 15 | 22 | .405 | 8½ |
| | 13 | 20 | .394 | 8½ |

**...MERICAN LEAGUE**

East

| | W | L | Pct. | GB |
|---|---|---|---|---|
| | 20 | 14 | .588 | — |
| | 19 | 14 | .576 | ½ |
| | 18 | 18 | .500 | 3 |
| | 16 | 17 | .485 | 3½ |
| | 16 | 18 | .471 | 4 |
| | 16 | 20 | .444 | 5 |
| | 14 | 20 | .412 | 6 |

West

| | W | L | Pct. | GB |
|---|---|---|---|---|
| | 22 | 15 | .595 | — |
| | 20 | 15 | .571 | 1 |
| | 19 | 17 | .528 | 2½ |
| | 18 | 17 | .514 | 3 |
| | 18 | 20 | .474 | 4½ |
| | 15 | 19 | .441 | 5½ |
| | 15 | 22 | .405 | 7 |



The base runner, Eddie Murray of the Baltimore Orioles, goes his way and second baseman Duane Kuiper of the Cleveland Indians goes his on a double play.

Associated Press

# Gerulaitis Upset in Italian Open

*From Agency Dispatches*

ROME, May 21 — An unheralded French teen-ager, Thierry Tulasne, upset Vitas Gerulaitis, the defending champion, 6-3, 6-3, in a second-round match today in the Italian Open tennis championship. Gerulaitis was seeded second.

"I had nothing to lose out there," said the 16-year-old Tulasne, ranked 334th in the world. "I just tried to play well against one of the best players in the world. It was my best match ever."

Tulasne, whose only previous appearance on the Grand Prix tennis circuit this year ended in a first-round loss at Metz, France, played what his coach, Patrice Hagelauer, called "his typical strong baseline game."

"His top-spin passing shots make for the kind of game that often gives Gerulaitis trouble," the coach said.

Gerulaitis won the Italian championship in 1977 and again last year.

Top-seeded Guillermo Vilas advanced easily against Guillermo Aubone, 6-1, 6-2, in another second-round match and will meet Hank Pfister, who defeated Flurian Segarceanu, 6-4, 6-2, today.

Third-seeded Gene Mayer was forced to retire with the first set score at 1-1 in his second-round match against Peter McNamara when he twisted his right ankle running for a drop shot. Mayer went to a hospital for X-rays.

In other matches, Brian Gottfried put out the local hero, Adriano Panatta, in straight sets, 6-2, 6-3, before a noisy crowd at center court at the Foro Italico.

Gottfried's big serve-and-volley game proved too much for the Italian, who has been struggling with his game for more than a year and entered his home tournament unseeded.

Eliot Teltscher beat Bruce Manson, 6-1, 6-1, and Raul Ramirez moved ahead with a 6-4, 6-0 victory over Butch Walts.

**U.S. Women Gain**

BERLIN, May 21 (UPI) — The United States, seeking its fifth successive victory in the Federation Cup tennis tournament, defeated New Zealand, 3-0, here today. The Americans are seeded first in the 32-nation women's tournament.

Second-seeded Australia defeated Indonesia, 3-0, to reach the quarterfinals also.

Third-seeded Britain also advanced to the last eight by edging Argentina, 2-1, as Virginia Wade and Sue Barker won the decisive doubles match, 5-7, 6-2, 6-4, on their fourth match point.

The Soviet Union advanced by upsetting Italy, 2-1. Czechoslovakia defeated Yugoslavia, 3-0, while West Germany recovered after splitting the singles to beat Spain, 2-1.

Romania defeated Switzerland, 2-1, and Sweden defeated Japan, also 2-1.

## Major League Leaders

**AMERICAN LEAGUE**

| | G | AB | R | H | Pct. |
|---|---|---|---|---|---|
| Molinaro Chi | 31 | 78 | 16 | 29 | .372 |
| Trammell Det | 31 | 106 | 26 | 39 | .368 |
| Landreaux Mn | 36 | 142 | 18 | 52 | .366 |
| Revering Oak | 31 | 103 | 17 | 37 | .359 |
| Yount Mil | 32 | 132 | 33 | 47 | .356 |
| Molitor Mil | 32 | 136 | 26 | 48 | .353 |
| Velez Tor | 28 | 98 | 16 | 34 | .347 |
| Summers Det | 28 | 91 | 16 | 31 | .341 |
| BBell Tex | 33 | 130 | 20 | 44 | .338 |
| Nordhagen Chi | 29 | 80 | 8 | 27 | .338 |

**Home Runs**

Velez, Toronto, 9; Oglivie, Milwaukee, 8; R.Jackson, New York, 8; Rudi, California, 7; Smalley, Minnesota, 7; Zisk, Texas, 7.

**Runs Batted In**

Velez, Toronto, 29; Oliver, Texas, 27; Oglivie, Milwaukee, 26; Hebner, Detroit, 25; Cooper, Milwaukee, 24; L.Johnson, Chicago, 24; Armas, Oakland, 24.

**Pitching (4 Decisions)**

Rainey, Boston, 4-0, 1.000; Guidry, New York, 4-0, 1.000; John, New York, 7-1, .875; Redfern, Minnesota, 6-1, .857; Honeycutt, Seattle, 6-1, .857; Dotson, Chicago, 5-1, .833; Stieb, Toronto, 4-1, .800; Martin, Kansas City, 4-1, .800.

**NATIONAL LEAGUE**

| | G | AB | R | H | Pct. |
|---|---|---|---|---|---|
| Reitz StL | 35 | 124 | 12 | 46 | .371 |
| Hendrick StL | 35 | 132 | 21 | 45 | .341 |
| RSmith LA | 34 | 125 | 21 | 42 | .336 |
| Templeton StL | 35 | 156 | 25 | 52 | .333 |
| KHerndz StL | 35 | 137 | 25 | 45 | .328 |
| Simmons StL | 32 | 102 | 20 | 33 | .324 |
| Buckner Chi | 31 | 124 | 14 | 40 | .323 |
| Puhl Htn | 27 | 97 | 18 | 31 | .320 |
| JCruz Htn | 33 | 123 | 19 | 39 | .317 |
| Collins Cin | 26 | 111 | 23 | 35 | .315 |

**Home Runs**

Schmidt, Philadelphia, 10; Luzinski, Philadelphia, 10; Garvey, Los Angeles, 9; Kingman, Chicago, 8; Martin, Chicago, 7; RSmith, Los Angeles, 7.

**Runs Batted In**

Garvey, Los Angeles, 35; McBride, Philadelphia, 28; RSmith, Los Angeles, 28; Schmidt, Philadelphia, 27; Hendrick, St.Louis, 27.

**Pitching (4 Decisions)**

Reuss, Los Angeles, 5-0, 1.000; Sutton, Los Angeles, 4-0, 1.000; Bibby, Pittsburgh, 5-1, .833; Tekulve, Pittsburgh, 5-1, .833; Carlton, Philadelphia, 7-2, .778; Bahnsen, Montreal, 3-1, .750; Welch, Los Angeles, 3-1, .750

# Tuesday's Line Scores

**AMERICAN LEAGUE**

| | |
|---|---|
| ... | 000 000 000—0 4 0 |
| ... | 100 102 00x—4 8 0 |

...ve Ford (6) and Graham; Denny ...W—Denny, 3-4. L—Stewart, 1-4.

| | |
|---|---|
| ... | 020 002 310—8 14 2 |
| ... | 000 000 000—0 5 0 |

...Martinez (8) and Graham; Owchinko (6), V.Cruz (7) and Hassey. W—... L—Owchinko, 0-4. HR—Baltimore, ...

| | |
|---|---|
| ... | 200 010 100—4 10 1 |
| ... | 000 110 010—3 8 1 |

...tremeier (6) and Fisk; Lemanczyk, Garvin (5), Buskey (5) and Whitt, W—Rainey, 4-0. L—Lemanczyk, 2-5. ...Dwyer (2).

| | |
|---|---|
| ... | 000 000 000—0 5 0 |
| ... | 000 100 00x—1 4 0 |

...Newman; Gale, Christenson (8), (9) and Wathan. W—Gale, 1-5. L—...

| | |
|---|---|
| ... | 030 200 300—8 9 0 |
| ... | 100 162 20x—12 14 0 |

...vis (5), Gossage (7) and Cerone; P.Underwood, Hiller (5), Rozema (7) and Parrish. W—Hiller, 1-0. L—John, 7-1. HRs—New York, Nettles (4), Randolph (3). Detroit, Hebner 2 (2), Wockenfuss (4).

| | |
|---|---|
| Minnesota | 000 002 000—2 7 0 |
| Chicago | 200 001 01x—4 6 1 |

D.Jackson, Corbett (6) and Wynegar; Dotson, Wortham (7), Farmer (9) and Kimm, Foley (9). W—Dotson, 5-1. L—D.Jackson, 1-2. HR—Chicago, Lemon (4).

| | |
|---|---|
| California | 020 003 0—5 9 0 |
| Texas | 000 100 3—4 7 2 |

(7 innings, rain)

A.Martinez, LaRoche (7) and Donohue; Medich, Darwin (6) and Sundberg. W—A.Martinez, 1-0. L—Medich, 3-2. HRs— California, Grich (5). Texas, Zisk (7).

| | |
|---|---|
| Milwaukee | 446 000 000—14 15 0 |
| Seattle | 202 000 010— 5 11 1 |

Sorensen, Cleveland (8) and B.Martinez; Bannister, D.Roberts (1), Heaverlo (2), Dressler (3) and Narron. W—Sorensen, 3-3. L—Bannister, 2-4. HRs—Milwaukee, Oglivie 2 (8), Yount (4). Seattle, Bochte (4).

**NATIONAL LEAGUE**

| | |
|---|---|
| Atlanta | 000 000 100—1 5 2 |
| Montreal | 000 000 000—0 6 0 |

P.Niekro and Benedict; Sanderson, Sosa (9) and Carter. W—P.Niekro, 3-5. L—Sanderson, 3-3.

| | |
|---|---|
| Cincinnati | 202 002 100—7 10 0 |
| Philadelphia | 221 000 010—6 12 2 |

Leibrandt, Moskau (3), Soto (6), Bair (8) and Bench; Ruthven, Saucier (7), Noles (7), McGraw (8) and Boone. W— Moskau, 2-0. L—Ruthven, 4-3. HRs—Philadelphia, Luzinski 2 (10), Schmidt (10), McBride (2).

| | |
|---|---|
| Houston | 002 000 100—3 7 0 |
| New York | 000 002 000—2 8 0 |

K.Forsch and Ashby; Swan, Reardon (8) and Stearns. W—K.Forsch, 5-2. L—Swan, 2-3. HRs—Houston, Ashby (2), Puhl (5).

| | |
|---|---|
| Chicago | 000 000 000—0 9 0 |
| San Francisco | 000 200 00x—2 6 1 |

Krukow, W.Hernandez (7) and Blackwell; Whitson and May. W—Whitson, 2-5. L—Krukow, 3-4.

| | |
|---|---|
| St. Louis | 001 000 200—3 11 0 |
| Los Angeles | 000 103 00x—4 3 1 |

Vuckovich, S.Martinez (7), Kaat (8) and Simmons; Reuss, Castillo (8), Howe (9), Sutcliffe (9) and Ferguson, Yeager (9). W—Reuss, 5-0. L—Vuckovich, 5-4. HRs—Los Angeles, R.Smith (7), Garvey (9).

## Lakers Promote Interim Coach

INGLEWOOD, Calif., May 21 (AP) — Paul Westhead, who moved up from assistant coach to guide the Los Angeles Lakers to the National Basketball Association title, has signed a four-year contract to coach the team.

Less than a year out of the college ranks, the 41-year-old Westhead became interim coach Nov. 9 when Jack McKinney suffered head injuries in a bicycle accident.

Westhead, who had been coach at LaSalle in Philadelphia, directed the Lakers to a 51-18 record and 12-4 in the playoffs, where the Lakers beat the Philadelphia 76ers, 4-2, in the game finals.

Although terms were not revealed, it was reported that the contract was worth $1.1 million, probably making Westhead the highest-paid coach in basketball.

## *Transactions*

**BASEBALL**

**American League**

CHICAGO WHITE SOX—Sent Francisco Barrios, pitcher, to Appleton of the Midwestern League.

OAKLAND A'S—Recalled Mike Davis, outfielder, and Ernie Camacho, pitcher, from Ogden of the Pacific Coast League. Added Randy Elliott, outfielder. Sent Rick Lysander and Mark Souza, pitchers, and Ray Cosey, outfielder, to Ogden.

**Red Smith**

# Like the Trout to the Fly

NEW YORK, May 21 (NYT) — News photos of the forest clearing on Quebec's Gaspe Peninsula, where that transcontinental balloon flight ended recently, sent my memory cartwheeling back to a time when the hard road had just been completed around that scenic land mass between the Gulf of St. Lawrence and the Bay of Fundy.

On the wooded roadside stood a small, crudely lettered sign reading: "Trout Fishing." There just happened to be a flyrod in the trunk of the car. Ten miles or so farther on, the highway topped a green hill and there, spread out below, was a thrilling sight — the cod-fishing village of Perce, on the very edge of the Atlantic at the foot of a towering red cliff that thrust out into the sea like the prow of a ship. Farther out was the pierced rock that gave the village its name — a great red shaft with an arched opening through which waves pounded.

It was 2 or 3 o'clock on a September afternoon. Luggage and companion were delivered to a hotel on the beach, then it was back over the mountains to the roadside sign. A habitant standing there was asked whether the sign meant what it said.

**Guide Gone Fishing**

"Yes," he said, "but the boy is not here to show you the stream."

"Could I find it myself? Could you point the way?"

"Hmmm, perhaps. Of course, the fishing season it is closed."

"Oh, no!" Fishing regulations in a tourist booklet had been misread.

"Yes," the man said. "The game warden was here yesterday and told me. But two, three hours, you could fish. Who would care?"

"Would I need a license?"

"Yes. You do not have one? Well, two, three hours, who would care?"

"Is the stream big enough for fly-casting?"

"Oh, no," he held his hands a yard or so apart. The prospect was losing its appeal. Season closed, no license, and just a little brooklet in the brush, if it could be found at all.

"You could fish," the gentleman said. "Of course, I know you would not catch any trouts."

The project was abandoned. In Perce there was cod for dinner.

All this was recalled by photographs of the Gaspe woods. By an accident of timing, just about when the pictures were seen, the mail brought a new edition of the book, "Fly Tying," by Helen Shaw, brought out by John Wiley & Son Inc. With it came a note from Helen Shaw, who is Mrs. Herman Kessler of East Chatham, N.Y.

"Demand for the book," she wrote, "has been consistent through the 16 years since it was first published by the Ronald Press. Wiley has kept all the original photo sequences, reset all the type and added 30 or more pages of helpful suggestions with photos.

"During those years there have been so many heart-warming comments from people of diverse backgrounds who have found the book useful: a left-hander who set up the book with a mirror and followed the instructions successfully; an eye surgeon who used the book to teach himself to tie flies with his left hand as well as his right in order to become ambidextrous and improve his surgical skills; a songwriter who gave up that career to set up a successful business in flies, fly-tying materials and fishing tackle; a minister who calls the book 'the bible' because it is so fundamental.

"And now we are told that a first edition is selling for $40! Fantastic."

**Way Back When**

Helen Shaw has long been recognized as one of the supreme artists at the craft of whipping up concoctions of feather and wool and tinsel that make trout smack their gills and forget their table manners. Friendship with her goes back to the time she designed and tied the Native Dancer fly for the late Lawton Carver.

A reformed sports editor, Carver was Mike Manuche's partner in a Manhattan restaurant called Camillo's. Lawton came to trout fishing fairly late in life and, like many converts to a new religion, took the faith with passion. He probably was the only restaurateur in New York who catered to a clientele on the ground floor, read Izaak Walton and tied flies in his basement office and practiced flycasting and painted in oil on the roof.

He read Walton's discussion of angling with a line of braided horsehair. "Oho!" he said, and wrote to Ralph Kercheval, manager of Alfred Vanderblit's Sagamore Farm outside Baltimore. At that time the boss horse in America was Vanderbilt's great gray, Native Dancer, who never lost a race except the 1953 Kentucky Derby, in which he was second. Carver would angle with horsehair, all right, but it had to be hair from the tail of Native Dancer and nothing less.

Kercheval sent a handful of horsehair along with an illuminated document in which he vowed, scout's honor, that although there were other grays on the farm, including a teaser named Billy Sunday, these were from Nate's own tail and none other. Though the metal cost less then than it does today, Lawton paid a package to a jeweler to make up tiny fishhooks of solid gold. Then he took his problem to Helen Shaw.

**Friends in High Places**

Because Vanderbilt's silks are cerise with white diamonds, Helen designed a fly with white hackle and a silken body of cerise. The horse's dark gray coat was carried out in wings and tail. To each hook she tied a single horsehair for a leader. Each fly was set in a mahogany shadow box and Lawton distributed them to a few friends, with one for Vanderbilt and another for the White House because President Eisenhower was a trout fisherman.

Hooked to the black velvet lining of the shadow box, the Native Dancer is a thing of beauty. The coiled leader is lighter in color than Nate's tail was. Fearing that a dark leader on the water might be visible to fish, Lawton had taken them to an East Side hairdresser for a silver rinse.

## *Rockies of NHL Dismiss Coach, Look to Brooks*

DENVER, May 21 (AP) — The Colorado Rockies fired Don Cherry, their head coach, yesterday because, said Armand Pohan, owner and president of the National Hockey League team, the team needs a coach who is not "a one-man band" and "will devote his full energies to coaching and teaching."

Pohan confirmed that the Rockies have been talking to Herb Brooks, the Minnesota-based coach of the U.S. Olympic goal-medal hockey team, about the post. Brooks signed recently to coach Davos in the Swiss league.

Cherry joined the Rockies last May after they finished last in the NHL with a 15-53-12 record. Their record was only slightly better this season, 19-49-13, but average attendance at Rockies home games nearly doubled to close to 10,000.

Cherry coached the Boston Bruins for five years before coming to Denver.

## *Full Sail Ahead for Windsurfing's Father*

By Maureen Sherwood

PARIS, May 21 (IHT) — Hoyle Schweitzer, unassuming and at times almost diffident, was greeted and treated with almost rapturous enthusiasm when he stopped off in Paris last week on his way to the third world championship of windsurfing, in Baja, Sardinia. And no wonder, since he invented the sport.

Countless photographers fought to snap a glimpse of him at a lunch held in his honor on an island in a lake in the Bois de Boulogne; sinuous girls with enviable tans vied to strip down to specklike swimsuits and have a brief encounter with him on the board.

A perfumed Paris-in-the-spring heat wave was on his side. Even the stillness of the air was overcome when he did a windsurfer demo on the lake — they have ways of creating a breeze . . .

**Letting It Show**

The windsurfing clan was in great form: Platinum blondes wore dazzling white to show off their Caribbean tans; equally bronzed and pastel-eyed young men wore rainbow-colored windsurfer jerkins. A janty band played deafening, kind-of-traditional jazz and applauded themselves with gusto.

Some rather staid members of the press, complete with naval-looking ties and haircuts, representing various magazines, the names of which all contained the word "wind," stood around drinking orange juice and discussing latest windsurfer developments with appropriate gravity.

Sports aren't invented every day, after all, so surely Schweitzer deserves the movie star attention. A million people are said to have tried his combination of surfing and sailing.

A heavily-bearded, blue-eyed Californian, Schweitzer — a computer engineer — is now 49 years old. It was more than 10 years ago that he, a great surfing fan, got together with some "regular drinking buddies," as he puts it, (notably Jim Drake, aeronautics engineer and avid sailing enthusiast) and conceived the idea of windsurfing — or boardsailing, as it was originally called.

Schweitzer and Drake compared the negative aspects of their respective hobbies — the hassle and lack of portability in sailing, and the uncertainty of waves in surfing — and had the brainwave of combining the advantages of both and producing a new, different sport.

In fact, the Polynesians had been having fun surfing for centuries past. They were practicing an ancestral sport. But it was the idea of uniting this with the "wishbone" (the bar across the mast used for controlling the board) — also an ancient principle employed to vary sail size — which was the revelation.

**Back to the Drawing Board**

Beginnings were tough. A big party, organized ostensibly to celebrate the first demonstration of windsurfing, ended in a fiasco when Drake turned up with the news that their "secret device" just didn't work . . . yet.

But they persevered, and it paid off. Although the basic principle of Schweitzer's Windsurfer hasn't changed a bit and today's version hardly differs from its original, little touches like footstraps have been added to help when riding killer-like waves, as the surfers call them. (The board was designed for lakes, not barrier reefs.)

Brightly colored windowed sails bob and glide about all over the horizons now. In theory, windsurfers can be aged 8 to 65, but it's easier if they're lightweight, and youth is an advantage, if only because nerves are in better shape.

Strangely, the sport has had far less a response in the United States, where it was conceived in California, than in Europe. Last year, statistics say that 12,000 boards were sold in the United States, where there are an estimated 30,000 commited windsurfers — compared to some 500,000 fans in Europe.

When asked if he could explain this phenomenon, especially as all Beachboy fans know about the Californian obsession with surfing, Schweitzer puts it down to the "uncurious" attitude of his fellow Americans. "It reflects their nature," he said. "Europeans know all about what's going on in Europe; Americans couldn't care less what's happening in their own backyard." But he looked a little unconvinced.

Schweitzer, without false modesty, calls his invention the "ultimate free ride." And the experts say it takes a real effort to fall off now.







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*(Continued from Back Page)*

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**Art Buchwald**

# Opportunity Knocks For the Class of '80

WASHINGTON — The class of 1980 is having a tough time finding jobs. Therefore, they have to lower their sights on what kind of positions they will accept. This is not only a burden on them but also on their parents who like to brag about what their children are doing.

I realized this when I attended a commencement exercise and overheard a group of parents discussing their children's plans now that they were graduating from college.



Buchwald

"What is your son going to do?" one of the mothers asked.

"He's getting a degree in economics, so he'll be driving a taxicab. We think he's very fortunate to get a position as a taxi driver right out of school."

"You must have pull."

"Well, his father did know a man who owned three taxis. At first my son said he wanted to get a taxi job on his own, but after pounding the pavements for a few months he realized it isn't what you know but whom you know in the taxi business that counts."

* * *

"What is your daughter Gertrude going to do?"

"She is getting a master's in library science and has already been offered a position as a waitress at Howard Johnson's. But she's holding out for a salesgirl's position at J.C. Penney. We warned her not to get her hopes up as we heard J.C. Penney was only hiring new sales personnel with Ph.D.s."

"My son Harry was most fortunate. In his senior year in law school he was recruited for an excellent position."

"With a private law firm?"

"No, with the post office as a mail sorter in their main branch office in Elkhart, Ind."

"You must be very proud of him."

"It was worth the seven years of sacrifice. Isn't your daughter getting a degree in fine arts?"

"Yes. She made Phi Beta Kappa."

"What does she intend to do with it?"

"She's had several marvelous opportunities, but the one that interests her the most is selling classified advertisements by telephone for our local newspaper. The best part of the job, besides the security, is that she works on commission and in a good week can make $150."

* * *

"I'd like her to meet my son. He majored in biology and will be working for a landscape contractor mulching flower beds."

"She's been going steady with a boy in her graduating class who has a degree in business administration and they hope to get married in the fall, if he passes his test to be an airline steward."

"What is your son going to do, Sam, now that he has a civil engineering degree?"

"He lucked out. He was pumping gas at a Texaco station last summer, and they were so impressed with him they offered to take him on full time when he finished his education. You should see him change a tire."

* * *

"We all seem to be pretty fortunate with our children," one of the mothers said. "We have a neighbor who graduated summa cum laude from Harvard in public administration and she refuses to take any job that has been offered to her."

"What has she been offered?"

"The state of New Jersey offered a toll booth on the Garden State Parkway, but she turned it down. She claims that with her educational background she should at least be a meter maid in Trenton."

"Some kids have crazy ideas of what it takes to start out these days."

"Am I correct, Edward, that your boy is getting his doctorate in nuclear physics?"

"Yes, and thank goodness they're still looking for people in his field. He's going to be working on top secret atomic bomb projects."

"Apparently, the U.S. government still needs physicists."

"He wasn't hired by the U.S. He was hired by Pakistan."

# Surviving the Palimony Case

## 'I Got the Subject of Living Together Out of the Closet . . .'

By Linda Deutsch

LOS ANGELES (AP) — One year after her landmark court battle with actor Lee Marvin, Michelle Triola Marvin has found a new life as an author, a lecturer on women's rights and, most important of all, she says, as "a survivor."

"I'm not over it by any means," she said of the landmark "palimony" trial last year which involved her in often lurid testimony. "But one of the things Lee loved about me is I'm a very positive person. I have a reasonably calm center. "It didn't take me long to recover because I'm a survivor."

"I'm a survivor," she whispered again.

Ms. Marvin, a 47-year-old former singer, lived with Marvin for six years and legally changed her name to his. When they separated, she won his promise of temporary support. He refused to pay and she went to court, seeking half of his multi-million-dollar fortune.

Though she did not get the $1.8 million she sought, she was awarded $104,000 in "palimony," the equivalent of alimony for people who are not married but have lived together.

Ms. Marvin's case, filed by celebrity lawyer Marvin Mitchelson, was the first in which the California Supreme Court ruled that unmarried persons living together may claim property rights when they separate. Previously, only married couples in California could seek legal division of property. Marvin is appealing the settlement.

### Scars Remain

Despite her victory, Ms. Marvin said, scars remain. "About a month after the trial, I was brushing my hair and realized it had turned gray around the hairline. That really told me something. I turned gray from that trial."

She now lives in a small, cozy apartment with a pet poodle. There is a new man in her life, although she declined to discuss the relationship. She pays her bills with fees from lectures and a large advance she received on her autobiography, which is to be published in 1981 by New American Library.

She insisted she has come to care more about the principle of the Marvin vs. Marvin suit than about the money involved. "I don't think I ever noticed the thing about dollars and cents," she said. "That wasn't the point with me . . . I wanted everyone to understand why I was in court, and I don't think they do, even now.

"I was there because I felt that it was unfair that a woman, any woman, that had had a relationship such as mine did not share in the profit of it. I still believe that."

The precedent of Marvin vs. Marvin has since led to similar suits across the country. "I do feel that I helped," Ms. Marvin said. "I got the subject of people living together out of the closet and right down to your dinner table. Women and men now talk about it openly. They discuss what they want out of a relationship."

She was not prepared for scathing the courtroom attacks on her character, she said.

"I didn't know until it was happening to me that it was going to happen. "I was offended by the kind of sexist testimony they brought in. I hope my trial didn't scare women away or stop them from fighting for what they believe in."

Asked whether she regretted filing the suit, Ms. Marvin answered, "No, of course not. "When I first filed," she said, "I thought I was dealing with a man who was no longer in love but had been in love." On the witness stand, Marvin said he had never loved her.

"There were times during the trial when I had to contain myself from walking up and slapping Lee's face," she said, fighting back tears. "If that man didn't love me, what the hell was I doing there?"

She has fought bitterness, she said, but still resents Superior Court Judge Arthur Marshall's decision which awarded her funds for "rehabilitation," suggesting she should become something other than the "companion of a motion picture star."

"I detested the language in that decision," she said. "I was offended by it and confused. I still haven't been able to read it all the way through . . . I thought the judge could have said it so much more proudly."

She said she feels her award was a legal triumph but wishes it had been more clear cut. "I hope that the next woman who has a case such as mine wins down the line," she said. "It takes so long, but I hope to get to see it in my lifetime — where a woman is really treated equally."

She was shocked that Marvin appealed the verdict. She said she hoped after her book is completed that "the chapter of Michelle and Lee will be closed. It's been too many years . . . I would like it all to come to a grinding stop. But not the issue. I will always be for that. I will never in my lifetime change my mind or be sorry that I fought for what I felt was fair," she said. "And I feel I've contributed something to women's lives. I don't want people to forget what I fought for because I stand by it."



Associated Press

Michelle Triola Marvin with Marvin Mitchelson during a trial recess last year.

# PEOPLE: *Queen Elizabeth Di... On Charity-Dinner*

More than 30 guests at a charity dinner in London went hungry because the fish course ended up at Buckingham Palace. The meal's centerpiece was to have been a rare 26-pound sturgeon which was caught off the Cornish coast and purchased by a local hotelier. But under a 650-year-old law the sturgeon is a royal fish and it is the sovereign's prerogative to enjoy any caught in British waters. According to custom, hotelier Bruce Henderson offered the fish to Queen Elizabeth. To his surprise, she accepted and the charity dinner had to be cancelled. Buckingham Palace said it was all a mix-up. When the Queen learned it had been promised for charity, she waived her rights to the fish, but by then the sturgeon was already in the kitchens at Buckingham Palace. It will certainly be eaten, a palace spokesman said.

* * *

The verdict is in — a group of schoolchildren from broken homes agreed the father in the hit movie "Kramer vs. Kramer" should have been awarded custody of his young son. According to Working Mother magazine, the fourth- and fifth-graders agreed that the character played by actress Meryl Streep was wrong in walking away from her son, then demanding custody of him a year later. "Consistency is very important to kids," one child explained. And the New York City children also agreed that the father, played by Dustin Hoffman, was right in spanking his son for disobedience. "Billy was testing his father," said one child. "He needed to make sure his father meant what he said."

* * *

Police Sgt. John Trafford and his 13-year-old son Stephen visited all the 268 stations on the London subway in 18 hours, 3 minutes, cutting 19 minutes off the record. Their station-hopping raised $22,280 for a hospital charity. "We planned the route for months. At some stages, when we were running for trains, we were glad we had trained to keep fit," said Sgt. Trafford. Father and son snatched sandwiches and orange drinks en route over the 237 miles of the Underground.

* * *

Vassar College students won't have a keynote commencement speaker this year — William F. Buckley Jr., the speaker invited, has withdrawn after a student protest. The March invitation to the conservative columnist and the National Review sp... test meetings at the ex... lege in Poughkeepsie, N... tion protesting his sel... signed by 301 of 555 seni... student newspaper called... views offensive "to wom... norities, to pacifists, an... to a presumable majorit... students who are repres... Vassar's long liberal trad... plied Buckley: "The ma... senior class of Vassar d... sire my company, and I... fess, having read specim... thought and sentiments... not desire the company... jority of the senior class.

* * *

Laurence Olivier thou... Monroe was enchantin... they worked together... dreadful," the celebrat... actor said in an inte... ABC-TV. Lord Olivier ... sex symbol as a mixtur... clearly demarked, entir... people," he said. "One w... enchanting girl I ev... thought, 'This is terrible... to fall in love with i... much,' " he said. Then... worked together in the... "The Prince and the Sh... became obvious to me... she was working, she w... ly different person. Sh... oughly ill-mannered... miliated me and put me... most dreadful time... "Being a star and being ... not necessarily the same."

* * *

The 77-year-old pian... Arrau has never minded... ple know that he's set i... His resistance to change... him to avoid flying to ... dates in the supersonic... jets, using as his excus... doctor would never app... trip's effect on my ne... Arrau, the pianist's wife, ... of his excuses, and recen... ed their doctor. He said ... flight wouldn't be the le... to Arrau. Defeated, Ar... a Concorde bound for ... the first leg of his sprin... Arrau reported that he ... rival in London and th... he was thinking positively... supersonic flight. "Thi... wonderful," she quoted ... ing. "Now I have three ... to practice."

—SAMUE...


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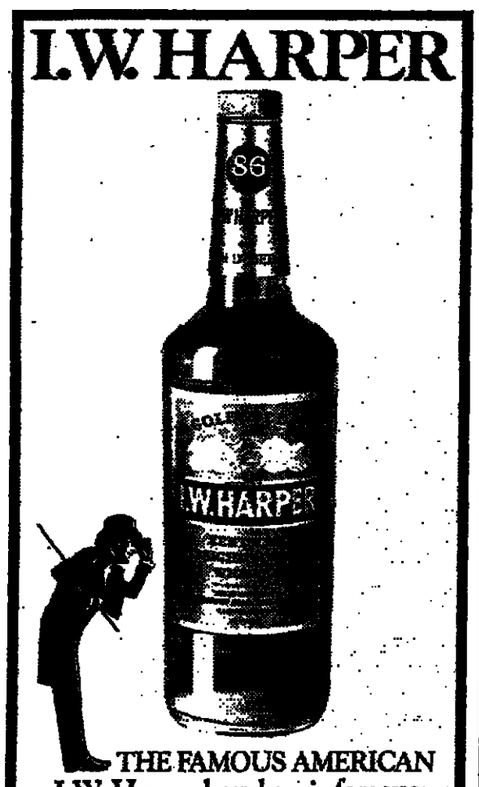
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